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THE TIMES

WEDNESDAY FEBRUARY 3 1982

Price twenty pence

Hospitals to get more consultants

Hospital consultants will see more patients in future after the Government's decision to accept most of the recommendations of the Short report on medical education and double the number of consultants. Britain has now about 14,000 consultants and 26,000 junior hospital doctors. The Government plans to reverse this by the 1990s.

Page 3

Iran releases

Andrew Pyke

Iran has released from prison Mr Andrew Pyke, the British businessman held 17 months without trial. He is now staying at the Spanish Embassy in Tehran and hopes to leave the country when formalities are completed later this week.

Back page

Leyland strike costs £30m

The future of Leyland's bus and truck factories at Leyland and Chorley is being jeopardised by a 13-day strike which cost the company £30m last month. Mr Ronald Hancock, the chairman, says: "Union leaders meet today and workers vote tomorrow on whether to continue the strike."

Page 4

Coal subsidies to continue

The Government has given up the hope of abolishing coal subsidies. Outlining the Coal Industry Bill, Mr John Moore, junior energy minister, said that direct subsidies could total up to £941 million over the next two years.

Page 13

Labour-SDP hint by Sirs

Labour might have to form a coalition government with the Social Democrats after the next election, Mr William Sirs, the steelworkers' leader, said. He hoped for a Labour victory, but congratulated Mrs Shirley Williams on her return to Parliament as MP for Crosby.

Page 6

Curb on students

Alarmed at the possibility that universities might become centres of unrest, the Polish military regime has imposed stringent regulations on dorms and students, unheard of in Eastern Europe since Stalinist days.

Page 6

New archbishop

Father Maurice Couve de Murville, aged 52, senior Roman Catholic chaplain at Cambridge University, is to be installed Archbishop of Birmingham on March 25 Page 10

Painting stolen

Two thieves walked out of the Courtauld Institute, in Bloomsbury, London, with a £300,000 painting and fled into the rush hour in a taxi. The small Breughel was one of the least valuable on show.

Page 2

Armagh bombs

Ulster security forces will attempt today to defuse an estimated 500-600lb of explosives found packed into creamery cans near the village of Cambough, in south Armagh.

Page 2

Laker buoyant

A buoyant Sir Freddie Laker said that he had raised £60m to end his airline's financial troubles. Bankers, however, appear to think him premature, though talk is understood to be progressing satisfactorily.

Page 13

Bristol deadline

The deadline expires at noon today for the eight players Bristol City must shed if it is to survive. If they refuse to go, the club will fold.

Page 17

Focus on Nigeria

How is President Shehu Shagari holding together this 19-state federation two years after the return to civilian rule? From oil and foreign affairs to the green revolution, a 16-page Special Report investigates the prospects and dilemmas facing Africa's richest and most populous nation.

Leader page 9

Letters: On air fares, from Lady Burton of Coventry, and Mr Peter Martin; Lloyd's B&M, from Sir Philip de Zulueta

Leading articles: Treasury and pay policy; Mr Prior and Irish policy

Features, pages 7 and 8: Mr Pym raises the stakes, by Peter Stothard; the snob appeal for Americans of British TV programmes; half a century of BBC broadcasts to the world

Obituary, page 10

Professor P. S. Florence, Mr C. M. Weekly, Lightman Hopkins

Aslef spurns inquiry and escalates strikes

By David Felton, Labour Reporter

ing in preparation for the

Thursday strike. When the British Railways Board meets tomorrow it will be under pressure to take strong disciplinary action. It may decide to suspend the 20,000 train drivers on Wednesday or take a more draconian measure such as the suspension of other staff not involved in the dispute.

Moderates and militants on the Aslef executive combined to reject the inquiry proposal. One member said: "We've had a hell into their corner, we now have to wait and see what they do".

The executive is expecting BR to adopt a tough stance, but moderates made it clear that they could not afford to co-operate with the inquiry because of the backlash it would provoke from their members.

The membership is adamant that the dispute cannot end until the 3 per cent is paid without productivity strings.

"We might just get this wrapped up by Christmas," said one executive member.

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The seven members of the executive of the Associated Society of Locomotive Engineers and Firemen rejected an appeal from Mr Len Murray, general secretary of the TUC, to give their evidence to the inquiry, which was set up under the auspices of the Advisory Conciliation and Arbitration Service.

BR, along with the other two unions, the National Union of Railwaymen and the Transport Salaried Staffs Association have agreed to cooperate with the committee of inquiry, which is to be headed by Lord McCarthy and which will sit for the first time this afternoon.

The inquiry, which will reach its decision without evidence from Aslef, is to report possibly by the end of the weekend. Mr Pat Lowry, chairman of Acas, said last night that he had heard Aslef's decision with great regret, but said that the inquiry would still go ahead.

The inquiry team comprises the members of the Railway Staff National Tribunal, which last August recommended the two-stage 11 per cent pay award which was the spring-board for the current dispute.

The other members of the inquiry are Mr George Doughty, a former general secretary of the Technical Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers, and Mr Ted Chappell, a former managing director of Eso.

The committee was set up under powers that Acas holds and will be required to report as a matter of real urgency.

Its terms of reference will be to consider the terms of the 1981 pay and productivity understandings ratified as agreements by the Railway Staffs National Council and, taking into account the agreement to introduce a 39-hour week, to make recommendations to resolve the differences over the payment of the further 3 per cent pay increase to formulate grades and over clause (c) of the productivity understanding on flexible rostering and related matters.

Last night Mr Murray said: "Naturally I regret today's decision by the executive council of Aslef, but I still hope that, on reflection, they will find themselves able to use the opportunities opened up by the establishment of the independent committee of inquiry."

And, before Aslef's decision was known, Sir Peter Parker, BR chairman, said that the community had to choose between an efficient railway or condemning the system and its workers to a future of frustrating insecurities. "That choice lies at the heart of our present dispute. The board stands firm on its belief that there is no future for the railway but only for an efficient railway."

He said that Freightliner business was down 70 per cent because of the strike and the progressive shut down of the parcels traffic had been reduced by 80 per cent.

The union decided to move away from the current pattern of strikes on Wednesdays and Thursdays to the new tactic to cause greater disruption on the days when there are no strikes. If British Rail decides to implement its plan on Wednesday it would be seriously restricted. Early morning trains would be in the wrong place after Tuesday's strike and then the progressive shut down of the network would start the even-

*Now even
the strikes don't
run on time...*

**STRIKE:
NEW
NON-
TRAIN
DAYS**

...



Dozier, a sort of embarrassed guy

General James Dozier's 42-day ordeal as a hostage of Italy's Red Brigades was heightened, he told a conference in Vicenza yesterday, by being forced to wear headphones and listen to hard rock music which he dislikes. But he also said: "Well, folks you are looking at a sort of embarrassed guy" because he ignored warnings from the Italian police.

All through his captivity he was chained by the left foot and right hand to the central pole of a four-square-yard tent. With the blinds drawn he could not tell night from day. The tent was lit constantly by a 40-watt bulb.

He played cards alone or read books such as George Orwell's "1984" which he had in his hand when police stormed the Padua apartment where he was held.

Press conference, page 6

Dearer money upsets Reagan hopes

From Bailey Morris, Washington, Feb 2

The decision by United States banks to raise their prime lending rates is fueling new fears in the Reagan Administration of another interest rate spiral which could halt the predicted economic recovery and generate a string of new bankruptcies.

He said last week that an increase of 0.25 per cent, then 0.50 per cent (£350,000), was threatening the economic recovery programme, not the tight monetary policies of the Federal Reserve.

Meanwhile, further increases in the prime lending rate are predicted.

Reasons for this include: A sharp rise in short-term interest rates since December; an increase yesterday by three New York banks in the broker-loan rate charged to stockbrokers for short-term loans; and the recent, unexpected surge in the money supply which has prompted new fears that the Federal Reserve will tighten credit further, thus pushing up rates.

The prospect of widespread increases in the prime rate has prompted both politicians and businessmen to warn of a big rise in bankruptcies in coming months among small and medium-size businesses.

A group of Democrats in the House of Representatives, for example, has received new information of possible bankruptcies among sizable insurance companies which have made some bad loans. The Democrats, members of the budget and finance committee, declined to name the companies.

There is also concern among bankers of a big rise in bankruptcies among hard-pressed construction companies, and smaller manufacturing companies which have been forced to obtain credit in the past year at very high rates.

Mr Sprinkel, echoing remarks by both President Reagan and Mr Donald Regan, the Treasury Secretary, said: "Interest rates continued to climb, the success of the Administration's overall economic programme would be in doubt. But Mr Paul Volcker, who could come as early as next week.

Continued on back page, col 3

TIMES

CBI contradicts Cabinet

Employers see no recovery

By Edward Townsend, Industrial Correspondent

Employers' leaders yesterday clashed with the Government over the state of the economy. Sir Terence Becker, director general of the Confederation of British Industry, said: "I see no evidence that the recovery is under way."

In sharp contrast to the optimistic views being expressed by senior Cabinet ministers, the CBI believes that manufacturing output and demand will not rise above its present depressed level before the summer.

Sir Terence, introducing the results of the CBI's latest quarterly trends survey, gave a warning that 42 per cent of companies expected to cut jobs in the next four months. While the rate of increase of unemployment is expected to slow down, the CBI predicts that if the Government persists with its present policies there will be 3,250,000 out of work by mid-year.

The CBI's particularly gloomy predictions, based on investigations among 1,700 manufacturing companies, coincided with a call from Mr Len Murray, general secretary of the TUC, for a national economic assessment involving a concerted plan of action by Government, trade unions and employers to bring the country back to full employment.

Mr Murray, who was launching the TUC's 1982 economic review, promised a new deal with the Government if it would accept the union's proposed £8,300m state-funded reflationary package.

The CBI survey shows that while there has been a slight increase in business confidence in recent months and a rise in companies' investment intentions, capacity use is unchanged and 93 per cent of firms expect their output to be constrained by a continuing shortage of orders and sales.

Sir Terence added: "The lack of any significant improvement is particularly disappointing for the three million who are unemployed and who are looking to industry for some hope of an upturn. I believe there is a glimmer of light at the end of the tunnel but there is still a long way to go."

The survey, regarded as

Economy forecasts compared

Pym stands by his cautious speech

By Philip Webster, Political Reporter

The Government was in acute embarrassment yesterday over the gloomy assessment by Mr Francis Pym, who has overall responsibility for the presentation of its policies, about the nation's economic prospects.

It was admitted openly in Government quarters that Mr Pym's speech on Monday night and the pronouncements of the Conservative Central Office regarding the value of the pound and the high level of domestic costs, never emphasized in his speech, were still a long way to go."

Mr Pym's main sin, in the eyes of Mrs Thatcher, was that he approved the release by Conservative Central Office of extracts of his speech which made little of the good news and much of the bad.

As Mr Pym's full text of his speech was regarded as less damaging and that Mrs Thatcher was in agreement with its message—that public expectations of rising living standards must be tempered by the changed world economic situation resulting from two oil price explosions.

Mr Pym quickly accepted an invitation yesterday to go on radio to explain his position more fully, a decision that Mrs Thatcher welcomed but did not prompt.

On the BBC's *World of One* programme he insisted that there was no very contention between himself and Sir Geoffrey, referring to the Chancellor's speech in Com-

Checking out the trolley

By Hugh Clayton, Environment Correspondent

Trolley theft is turning into a new form of shoplifting. In the early days of supermarket trading, people stole the goods on the shelves. Now they sometimes pay for the food and steal the trolley. After a succession of price rises, supermarkets cannot afford to pay staff simply to load customers' purchases into their cars.

While grocery pricing policies have lured from one supermarket to another, there has been little innovation in trolleys. Baby racks have been introduced, and the original 90-litre trolley has been superseded by larger models better suited to modern shopping expeditions. But the thing remains the same: "wire cage on awkward wheels of 10 years ago."

The company is experimenting in some southern stores with slot machines which collect 10p from each customer before unlocking a trolley, giving it back when the trolley is pushed onto a special lock in the car park. The experiment has shown that some customers are happy to lose 10p in order to acquire a £35 trolley.



Mr Bush stops to enter his car, surrounded by secret service agents.

From Nicholas Hirst, Washington, Feb 2

Secret Servicemen and agents of the Federal Bureau of Investigation were thrown into a flurry of activity early today when it was feared that a bullet had struck George Bush's armoured limousine on his way to the White

House. Police helicopters circled and streets were sealed off around the scene of the incident near a construction site in Central Washington before the FBI determined that the object which struck Mr Bush's car was almost certainly not a bullet, but a rock, possibly a stone falling from a building.

The security services were naturally nervous following reports late last year that Cuban hit men might be attempting to assassinate President Reagan or his top aides.

Mr Bush's limousine was

driven by a Secret Service agent.

Mr Bush was unharmed and

continued his journey to the

White House.

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TUC offers £8,300m deal on jobless to Thatcher

By Paul Routledge, Labour Editor

Trade Union leaders are offering Mrs Margaret Thatcher's Cabinet a "new deal" involving their cooperation with Government and employers if Sir Geoffrey Howe, the Chancellor, takes up an £8,300m state-funded programme for Recovery.

Mr Len Murray, the TUC general secretary, yesterday unveiled the TUC's 1982 Economic Review and said the policy document had already been sent to the Treasury. The unions intended to challenge the Chancellor "face to face" with their package proposals.

"But it could also be the basis for a new deal between the Government, the TUC and employers to plan the path back to full employment through a national economic assessment and detailed discussions between unions and management leading to agreement on what needs to be done in individual companies," he said.

Mr Murray's bold political initiative is likely to be greeted with some surprise. The tide of opinion among union leaders is running in favour of an end to all tripartite links with the Government and employers in revitalisation against Mr Norman Tebbit's labour reforms.

The TUC will urge the Chancellor to deflate the economy by pumping in £8,300m state cash to push growth up to 4 per cent in 1982-83, admittedly at the expense of a 1.1 per cent rise in the rate of inflation. Programme for Recovery would yield 677,000 new jobs and bring registered unemployed down to just over 2.3 million, it states.

For the first time the TUC has used the Treasury's own economic forecasting model to test the effect of its Budget proposals. "The results are a challenge to the Government", the document argues.

The union package (see table) divides into four roughly equal zones; £2,000m for manpower, training and education; and £2,600m spread among the National Health Service, pensions, social benefits, and help to both private and public sector industry.

The TUC calculates that £200m is required to enable nationalised industries to avoid big price increases, and a further £750m to increase retire-

ment pensions to the target level of £37 a week for a single person and £60 for a married couple.

As well as making recommendations to the Chancellor on how much he should give away in his Budget, the TUC seeks to demolish three economic theories popularised by ministers; that workers are "pricing themselves out of jobs"; that young people cannot get work because they seek "too high wages"; and that British productivity is greatly improved by the shake-out of jobs.

Programme for Recovery says: "The Government has attempted to pass on the blame for the rise in unemployment by claiming first that workers have been 'pricing themselves out of jobs' and second that many workers are voluntarily unemployed as the level of unemployment benefit is too generous."

The facts demonstrate that the Government is fundamentally wrong in both these beliefs. Unemployment benefits have fallen as a proportion of take-home pay. And further cuts will reduce demand even further, and lead to higher levels of unemployment.

"It can be proved that workers have not been pricing themselves out of jobs. If it were the case, the pattern of real wages would closely follow the pattern of employment—the peaks in real wages would coincide with the peaks in unemployment. In fact, the reverse is true. Real wages have been falling in 1981 and will continue to do so in 1982 and yet unemployment continues to rise."

The TUC also denies that the relatively high level of youth unemployment is due to excessive youth wages. A Department of Employment Survey going back over five years shows that average pay for the under-18s has fallen from 41 to 39 per cent of adult male earnings.

It would involve the unions in decision-making in industry, and in return it offers a form of incomes policy. Arrangements would be established to negotiate pay and conditions for workers whose militancy could affect the health and safety of the community "that would make it unnecessary for them to resort to industrial action".

Police in the republic are reaping the reward in tip-offs of a public backlash against the activities of IRA terrorists after the death of a young man on New Year's Day from wounds received in a "punishment" shooting. Gabriel Murphy, aged 27, an hotel worker, was shot by a group of masked men at his home near Enniskillen, the location of many of the arms finds. No one has been charged.

The hauls began on January 17, when between 600 and 700 rounds of ammunition were discovered in the Scotstown area of co Monaghan. The most successful raids have been near Enniskillen, a village three miles from the border.

The seizures are a blow to the Provisional IRA terror campaign.

Mrs Bernadette McAliskey, formerly Miss Devlin, is to stand as a candidate in the Dublin North Central constituency of Mr Charles Haughey, leader of Fianna Fail, in the forthcoming general election.

The intervention of the former Westminster MP for mid-Ulster is unlikely to harm Mr Haughey, who polled 17,637 first preference votes last June. That was the highest number recorded for any candidate in the general election.

The list of arms seized recently is as follows:

Jan 17: Scotstown, co Monaghan, 600-700 rounds.

Jan 28: Scotstown, ammunition and an Armalite rifle.

Jan 29: Scotstown area, 450lb of explosive mixture.

Jan 30: Enniskillen, co Monaghan, blast bombs, detonators, gelignite and bomb components, including timing devices.

Jan 31: Clones, on the Monaghan-Fermanagh border, a booby-trap mine with wires leading to a firing point south of the border.

Feb 1: Enniskillen, about 200ft of cortex used to detonate explosives.

Feb 1: Dundalk, seven primed rockets.

Feb 2: Enniskillen, 30lb of explosives.

100 Irish families flee huge land mine

From Richard Ford
Belfast

A hundred families were evacuated from their homes in the border village of Camlough, south Armagh, last night after the discovery of a land mine believed to contain about 600lb of explosives.

They were found packed into three creamery cans on the Camlough to Newtown Hamilton road, 300 yards from the village. The explosives were primed to be detonated and security forces cordoned off the area.

The land mine was also near St Malachy's Primary School and pupils will not be at lessons today while security forces defuse it.

Across the border the Irish police discovered more hidden explosives yesterday after six successive days of arms and ammunition seizures from border dumps.

The latest haul came as a farmer was remanded in custody in Dublin after a weekend of finds which brought the seizures since January to more than 60,000 rounds of ammunition and 10 rifles. Patrick Corrigan, aged 43, of Kilmagher, Enniskillen, co Monaghan, in the Republic, was remanded in custody until the end of February on six charges of illegally possessing firearms.

Mr James Mitchell, the republic's Minister of Justice, congratulated the police for work which "should quieten the repeated and totally wrong allegation from Northern Ireland that the republic is a haven for terrorists". Mr Mitchell estimated that the attempt to defeat terrorism was costing the republic £100m a year, not including damage to tourism.

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Two issues play an important part in the analysis. One is a matter of accounting techniques. The other is the poorer than expected performance of almost all the world's atomic stations.

Professor Jeffery says the justification for the nuclear programme has been done on historic, not current, cost

accounting. The effects of inflation have been ignored.

The differences in capital power, on which the Central Electricity Generating Board has planned to spend more than £15,000m over the next 15 years, was challenged yesterday in the Commons by a group called the Committee for the Study of the Economics of Nuclear Electricity.

The group comprises scientists, economists and environmentalists and includes Sir Kelvin Spencer, who was chief scientist to the former Ministry of Power when the civil nuclear power programme had never been built.

From past experience the group questions the board's assumption that new plants will be built on schedule; that their performance will match expectations; and that nuclear fuel costs will remain low while coal costs grow.

Construction costs will over-

run by 30 per cent, rather than 15 per cent assumed by the board, the study suggests.

Fuel costs will remain at 1980 levels until 1986-87, and then increase at 2 per cent a year to the end of the century.

With increases in the costs of reprocessing nuclear waste, the cost of nuclear fuel will double in that period, and then increase by 2 per cent a year.

On that basis, it is argued, future nuclear plant will have a generating cost of 3.27p/kWh, against 2.34p/kWh for new coal-fired plant. The recommendations also call for a large programme of prematurely decommissioning coal-fired stations to be halted.

They say the figures published by the generating board for electricity costs are wholly misleading because they are biased in favour of nuclear power. The reason lies in the methods used to calculate the costs of power stations.

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Neptune found to have third satellite

Minister backs down on rate grant penalties

By David Walker

The Government yesterday admitted another in its attempts to strengthen control over council spending. Powers will now be sought to reduce the rate support grant for high-spending councils after their budgets and rate levies have been set.

Mr Tom King, Minister for Local Government, said there would be no additional grant reductions for councils failing to meet their spending targets in 1982-83. Councils already know they will lose grants if they spend above a certain level, according to a published scale.

Mr King promised to bring in amendments to clause four of the Local Government Finance (No. 2) Bill, now in its committee stage, to ensure that in future any grant penalties will be published well before the beginning of the financial year.

Mr King's amendments are likely to be broadly along lines agreed by the Conservative leaders of the county and district council associations.

Ministers are understood to be pressing councillors and Conservative backbenchers to accept a scheme that would leave the Government with reserve powers to adjust the rate support grant to penalise high-spending councils. These would be known as "differential clawback", a different animal from the "differential holdback", which Mr King says he has now dropped.

The Government's announcement ensures that the controversial Bill will proceed at least a little farther. Mr Robin Squire, Conservative MP for Havering Hornchurch, and one of the Government's majority of two in committee, praised "a very significant step" towards improved relations between central and local government.

A preliminary reaction from the Association of County Councils was: "We appear to have won the battle". The association has accepted the main part of the

Bill, which abolishes councils' powers to levy supplementary rates.

Mr King said that councils would have no need to raise rates in case of government grant cuts.

However, his plea comes rather late in the day for most councils. Faced with legal uncertainty, they are erring on the side of caution in fixing their rates.

In the Greater London Council fares case the Law Lords implied that a council spending more than government targets and losing grants as a result could lay itself open to legal action.

That threat has encouraged the natural caution of treasurers. One senior county treasurer said he had not disbursed his councillors of the fear that overspending could land them in jail, even though he believed the threat was far-fetched.

According to a survey of likely rates in the counties of the metropolitan districts and London boroughs made their decisions later this month - the rates have not yet been set by several Labour authorities.

The table shows that the Conservative counties are tending to levy their precepts for 1982-83 at or below the rate of inflation. Labour councils, marked with an asterisk in the table, are planning to spend more.

In Berkshire and Cheshire no party has overall control; that means the precepts may change. Rates in Dyfed will be higher than indicated because of a change in domestic rate relief that applies throughout Wales.

County Increase over April 1981/82 current precept % original precept %

County	Increase over April 1981/82	current precept %	original precept %
Cambridgeshire	0	5.2	5.6
Suffolk	0.9	5.9	6.0
Sussex	2.7	5.6	5.6
North Yorks	1.6	5.6	5.6
Kent	1.1	5.6	5.6
Essex	1.2	5.6	5.6
East Sussex	1.3	5.6	5.6
West Sussex	1.6	5.6	5.6
Lancs	2.0	5.6	5.6
Derbyshire	2.6-2.9	5.6	5.6
Notts	3.4	5.6	5.6
Leics	4.1	5.6	5.6
Wes. Yorks	4.9	5.6	5.6
Humberside	7.9	5.6	5.6
Total	5.6	5.6	5.6

*Labour Party control

Medal for coxswain hero in 13hr rescue

Mr Alexander Gilchrist, coxswain of the Cambeltown lifeboat in Argyll, has been awarded the Royal National Life-boat Institution's silver medal for his part in the 13-hour rescue of the crew of the Eriko Hills, which ran ashore off Rathlin Island, near the Irish coast, last October.

When the lifeboat reached the trawler the coxswain passed a towline to her from the coaster Caoil Mor, which was also on the scene, in the teeth of a force nine gale.

Once the trawler was pulled clear, the Caoil Mor left, and the lifeboat stayed to escort the Eriko Hills back to Campbeltown.

However, the trawler's engine failed and she began drifting back to shore. The English skipper would not let the lifeboat take off the Spanish crew, so Mr Gilchrist got another towrope on board the Eriko Hills.

Yesterday Mr Gilchrist, aged 39, of Kilkerran Road, Campbeltown, said: "We could have done the job with a lot less danger if the whole thing had been more easily settled salvage-wise."

THINK HARD, BREMNER JURY TOLD

Mr Billy Bremner, the former Leeds and Scotland footballer, was being accused by the *Sunday People* of three offences of corruption for each of which he would be liable at a criminal trial to two years' imprisonment, Mr Justice Bristow said in the High Court yesterday.

"What you are dealing with, therefore, is no mere triviality," he told the jury. "You will no doubt think long and hard before you find Billy Bremner guilty of corruption."

The judge was summing up on the sixth day of Mr Bremner's libel action claiming damages against the *Sunday People* and Danny Hegan, the former Wolverhampton Wanderers player.

Mr Bremner claims that bribery allegations made by Mr Hegan in an article which appeared in September, 1977, forced him to end his playing career.

The publishers, Odhams Newspapers, and Mr Hegan deny libel and say the allegations were true.

The judge told the jury that the fact that a man was a brilliant footballer did not necessarily mean he was honest. "On the other hand, you may think the fact that he behaved badly on the field - he questioned the referee, was sent off three times in all those years, and is said to have disgraced the image of football by taking his shirt off during a charity shield match - does not necessarily mean he would attempt to bribe other players."

Inquiry into SAS man in coma

From Our Correspondent Ludlow

Three medical experts began an inquiry yesterday into the case of Mr David Woodhouse, the part-time member of the Special Air Service Regiment, who has been in a coma since last May, when an operation for appendicitis went wrong.

The experts, appointed on the recommendation of the Royal College of Surgeons, are Professor J. P. Payne, director of the college's research department of anaesthetics, Dr E. A. Cooper, consultant anaesthetist with Newcastle upon Tyne area health authority, and Mr Peter Lord, a member of the college council.

The Hereford and Worcester area health authority said the inquiry is expected to take several weeks.

Mr Woodhouse, aged 27 and the father of four small daughters, lived in the village of Fownhope near Hereford. It is understood that his condition was caused by confusion during the administration of an anaesthetic at Hereford County Hospital.

The inquiry was set up on the advice of Dr Gerard Vaughan, Minister for Health, who decided not to hold a government inquiry into the case. Attempts to hold a local inquiry have failed because the Medical Defence Union, an insurance body representing the interests of doctors, had refused to allow its members to cooperate.

Meeting on new TV channel schedules

By Kenneth Gosling

Independent television producers, some of whom are unhappy about the lack of information concerning the schedules of Channel Four, are to air their views at a meeting with officials of the channel in London today.

Mr Michael Peacock, chairman of the Independent Producers Association (IPPA), said yesterday that he hoped the meeting would provide more information, adding: "In the course of the next few weeks Channel Four will be making a series of announcements to clear up those matters that are unknown at the moment about their plans."

"It could well be that aspects of these announcements may not please some independents."

Mr Peacock, who heads a company making programmes for the channel, said: "Our purpose is to maintain a constructive dialogue between representatives of IPPA and Channel Four and we have had a whole series of meetings trying to persuade the channel that their terms of trade, published early last month, should reflect certain anxieties and considerations."

"In some measure we have succeeded but in others we have been left feeling pretty unhappy."

Time would show who was right, he said. Today's meeting would be the first time the association's membership had had an opportunity to be heard on a number of issues. Some of them, he said, had felt hard done by, but that was bound to happen.

"It is early days yet and there are many matters that will become clear only as we get to know more about the way Channel Four is building its schedules."

An early draft of the schedule is published in the current edition of *Broadcast* magazine. Channel Four officials emphasize that this is by no means the final shape of programming as it will appear from next November's opening.

However, it shows the likely mix, with programmes beginning at 5.15 pm from Mondays to Fridays and at 2 pm at weekends. Early evenings contain a strong element of education and information as well as ethnic programmes.

From about 9 pm the entertainment content broadens out into films, comedy programmes, drama and music. On Fridays and Saturdays a feature film is scheduled to begin at midnight.

The preliminary schedule includes only two hours of sport, from 6.30 to 7.30 on Sunday evenings and from 8 to 9 pm on Mondays, neither of which would put it into conflict with the other channels.

BBC-made Open University programmes may be shown on Channel Four. Discussions are taking place between the OU and the Channel Four company for space to be found on the channel as early evening OU programmes disappear from BBC2.

Actress and Actor of 1981



Film stars of the year: Dee Reepburn, who appeared in "Gregory's Girl", and Jeremy Irons, ("The French Lieutenant's Woman") after receiving their awards for Actress and Actor of 1981, presented by the Variety Club of Great Britain yesterday.

'Stiffen safety fines'

By Frances Gibb

Magistrates have been urged to fine companies more heavily for breaches of health and safety regulations after complaints by the Society of Graphical and Allied Trades (Sogat) that the level of fines is "paltry".

A survey in the current issue of *The Magistrate*, the journal of the Magistrates' Association, shows that the average fine imposed on companies for breaches of the Health and Safety at Work Act, 1974, over four successive years was between 10 and 16 per cent of the maximum fine.

In 1979 the average fine imposed was £165.90, in 1978 £142.41 and in 1977 £106.69; with all those years the maximum fine was £1,000. In 1976, when the maximum was £400, the average imposed was £99.42.

According to the journal, Lord Hailsham, of St Maryle-

bone, the Lord Chancellor and the association's president, has "expressed sympathy with Sogat's view."

"When breaches of statutory provisions are proved, realistic penalties must be imposed", the magistracy says.

"If the magistracy is to retain its credibility it must come to grips with legislation of this kind . . . and must impose penalties in keeping with what Parliament clearly envisages", he said.

Figures supplied by Sogat show that among its 200,000 membership, there is an average of six deaths a year.

Paltry fines devalue the work of those surviving to reduce occupational hazards, the journal says. "It is unquestionable that in respect of such breaches, the negligence of employers to meet their statutory responsibilities should be realistically penalized."

The trial continues today.



Miss Sally Harwood, a secretary, displaying some of the approved souvenirs yesterday.

Value and taste the aim for papal souvenirs

The Roman Catholic Church yesterday unveiled official souvenirs for the Pope's visit to Britain from May 28 to June 2, which it hopes will help to offset the estimated £1m cost of the trip (John Witherow writes).

Ranging from a £1,000 gold watch to balloons, car stickers, badges and plastic carrier bags costing a few pence, the items have all been approved as being tasteful and good value. That means they can bear the official emblem a cross inset with the papal keys, a tasseau, towels, urns, pens, ties, T-shirts, plastic flags, bronze busts, coasters and official portraits.

Most bear a portrait of the Pope. Each approved manufacturer will pay a royalty to Papal Visits Ltd to meet the cost of staging open-air Masses and for transport of the papal entourage.

Mr Ralph Brown, coordinator of the visit, said they had decided to go ahead with promoting the souvenirs after they were besieged with requests from companies for

endorsed about 300 items before the visit.

The company has rejected some products thought inappropriate, such as a screwdriver adorned with the Pope's portrait, and has sought to encourage firms employing handicapped craftsmen. As a result disabled people in Sussex are making clocks and wall plaques and a company in the Midlands which employs blind people is producing papal badges. Items on display yesterday included candles, tea towels, urns, pens, ties, T-shirts, plastic flags, bronze busts, coasters and official portraits.

Evangelicals, who have almost universally adopted that name for themselves rather than "Protestant", are asked by the alliance not to engage in "negative counter-demonstrations" during the visit. They should treat Roman Catholics with "love, respect and courtesy".

Organizers of the Pope's visit have withdrawn an application to fell 59 trees in Bellahouston Park, Glasgow, where the Pope is due to celebrate Mass on June 1. The aim was to give people a clearer view, but it led to protests

official endorsement. "One of the things we did not want to do was to be associated with things we did not like. The only way we could do that was by indicating there were things we did like", he said.

A warm and friendly welcome to the Pope has been urged by the Evangelical Alliance, a body which represents a substantial part of the Conservative evangelical tradition in Britain (Clifford Longley writes). Evangelicals, who have almost universally adopted that name for themselves rather than "Protestant", are asked by the alliance not to engage in "negative counter-demonstrations" during the visit. They should treat Roman Catholics with "love, respect and courtesy".

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Explain Welsh bugger, Whitelaw to be asked

From Tim Jones, Cardiff

Tomorrow night, Mr Whitelaw, the Home Secretary, will be asked to explain what two men driving a white estate car, registration HOV 131W, were doing last month outside the public telephone box in the village of Talyssarn, Gwynedd.

Mr Moses Edwards and his wife looked out of their sitting room window and saw two men from the car outside the kiosk. When the men drove off, the Edwards went to the kiosk and removed from it a small radio transmitter, which had been stuck behind the telephone. As they walked back to their home the estate car returned, mounted the pavement to block their path and the two men jumped out and forcibly demanded the return of the equipment.

He said the detectives gave him cannabis from a plant they were growing on a window ledge at Hull central police station.

"I tried to sell the cannabis on three of four occasions but was not successful because the people there just did not smoke", he said.

Atkins said he had to get something because it was Davidson's first time and he wanted to make a good impression.

Mr Dunsmore said that towards the end of the concert he came across a young man and asked him if he smoked. "He said he had never tried it. I said 'Here, try a piece'. He looked at it and said 'Thanks'. I walked away and nodded to Atkins and Davidson, who grabbed him."

The man, Mr John Walker, a bus driver from Saltburn, was later fined for possessing the drug by Bridlington magistrates, although he denied the offence.

Mr Dunsmore said Constable Davidson later gave him cannabis and LSD for his work.

Earlier Mr Dunsmore told the court that Constable Atkins and another officer had "set him up" to make him become an informer.

He said Constable Atkins and Det Constable Andrew Ablatt had planted hashish in his top pocket in a Hull public house and asked him to "do them a favour".

Atkins wanted me to inform on anyone dealing in cannabis so that he could make the arrest. I did not want anything to do with it, but it was that or getting nicked for possessing cannabis.

Figures supplied by Sogat show that among its 200,000 membership, there is an average of six deaths a year.

PARLIAMENT February 2 1982

Thatcher rejects TUC proposal as irresponsible

COMMONS

Last night's speech on the economy by Mr Francis Pym, Lord President of the Council and Leader of the Commons, was described as excellent by Mrs Thatcher, the Prime Minister, when she was challenged about it by Mr Michael Foot, Leader of the Opposition.

It is so good (she added amid laughter) that I might have written it myself.

The exchange began when Mr Archibald Haslehurst (Epsom and Ewell, C) asked Mrs Thatcher what she thought of the irresponsibleatory call for the TUC for a massive £8,300m injection into the economy.

Mrs Thatcher: An injection of such an amount would be totally irresponsible but people never say where it is coming from.

Mr Foot: It would be wiser to study the TUC document before trying to pronounce upon it. Meantime can the Government's economic statement be made by Mr Pym last night? Was that an official statement of Government policy?

Were the figures on which he based his speech before the Cabinet last week, and is this why Mrs Thatcher regarded it as an excellent Cabinet?

Mrs Thatcher: I am delighted to receive the TUC's excellent speech last night, good that I wish to quote from it.

"This Government is completely committed to long-term economic recovery which can be sustained and restoration of our ability to compete with and beat our overseas rivals.

Tebbit and Pym at one on economy

UNEMPLOYMENT

Mr Norman Tebbit, Secretary of State for Employment, said at question time that he and Mr Francis Pym, Lord President of the Council and Leader of the House, were at one in pointing out that there were no slack, easy solutions that would reduce unemployment overnight.

Mr Tebbit: At one, I added in pointing out that Britain required to hold down wages and wage costs to improve competitiveness and that this country faced a world recession with a world problem that could only be worsened if Britain became less competitive. This was irresponsible policies offered by the Labour Opposition.

Mr David Winnick (Walton North, Lab) had asked for the latest total number of registered unemployed in the UK, which was 3,071,000. The sensible answer to this figure, excluding school leavers, was 2,724,900, and the corresponding figure for May, 1979, was 1,512,630. The increase between

the two dates was 1,516,900, or 115.6 per cent.

Mr Winnick: These shameful, disgraceful figures illustrate the misery caused to so many people as a result of the Government's policies. All the evidence shows that unemployment will continue to increase, and was that the clear message of yesterday's speech by Mr Pym?

Mrs Thatcher: We feel that in a world recession, it is clearly seen that almost every industrialized country has been suffering a sharp increase in unemployment accelerating far faster than in Britain, it is child-like to accuse the Government of having all the blame for these problems.

Pe had better try to grow up and take some responsibility for understanding the deep-seated, longstanding problems in British industry which made it more vulnerable to the recession than many other countries.

Mr Nigel Forman (Sutton, Carshalton, C): To alleviate some of the most acute problems of unemployment, notably young people, he is prepared to turn his attention to the problem of long-term unemployment, which seems to many of us to be the most worrying aspect?

Mr Tebbit: This is becoming a serious problem, to which there is no simple, quick answer. The only answer is to restore the competitiveness of British industry to the position where it can sell goods to its customers and therefore create the new jobs required for those people.

Mr John Grant (Islington Central, SDP): His mixture of calculated offensiveness and sheer complacency on this issue is nothing but an insult to the three million unemployed. By his

attitude he is dragging a great department of state into the political gutter alongside him.

Why is it that we are moving towards one million long-term unemployed before the end of this year? He can offer are 30,000 places in the community training programme, which the Manpower Services Commission considers quite inadequate?

Mr Tebbit: Jobs are not created by government, they are created by customers who are willing to buy the goods and services offered. There is no way in which governments can wave a wand in the way that he and his friends

do he think should come about to bring unemployment down?

Mr Tebbit: I accept the collective responsibility of the Government for the fact that many people have been displaced from jobs in over-manned industries. I take it that he would not suggest that the unemployment situation for, say, British Leyland or British Steel would be improved by re-opening those plants and reducing the efficiency of the industries concerned.

The proposals I have are that the Government should continue on its present strategy and we should take some heart from the fact that short-time working is falling.

Mr Tebbit: The whole picture is changing, the rate of unemployment is rising more slowly and more jobs are being offered now than they were 12 months ago.

Mr Eric Varley (Chesterfield, Lab): Does not all this optimistic talk about vacancies and short-time working and the like give a misleading picture? The sober analysis given last night by Mr Pym, in which he implied that job prospects and living standards would not improve in the time this Government has left to it?

In view of Mr Pym's propaganda coordinating role, would it not be good thing if he and Mr Tebbit got together so that at least they could sing the same song?

Mr Kenneth Woolmer (Batley and Morley, Lab): In Yorkshire there are over 280,000 unemployed: 45 unemployed people chasing every job. Does he accept any responsibility for the matter under this Government?

If he accepts some responsibility, what particular changes

pretend they can do now but were unable to do when he was supporting the previous Labour Government.

Mr Tebbit: Mr Pym and I are at one in pointing out that there are no slack, easy solutions that can reduce unemployment overnight.

We are at one in pointing out that we require to hold down our wages and wage costs to improve our competitiveness and that we face a world recession with a world problem.

The new clause was withdrawn.

The committee stage of the Bill was concluded.

Mr Richard Alexander (Newark, C) said it was time for a new plan for coal mining which should have struck the Minister, of how investment paid off.

On the Vale of Belvoir, he said, the delays in the project were reaching proportions where they became a scandal. Already the board had spent more than £2m on the planning inquiry and on consultants' fees.

The main argument is that the money spent is because the project is to be financed by the state. This increase in cost would become not so much a coal mine as a gold mine.

The need for a decision was made the more pressing because there were a number of collieries in the area which would be exhausted in the next 10 years.

Mr Jack Hornard (Easington, Lab) said it was incomprehensible that the Government did not make it possible to encourage the greater use of coal. The provision of £50m to encourage certain firms to change from oil-fired to coal-fired boilers was welcome, but

should be expanded.

Mr Trevor Skeet (Bedford, G) said he was amazed at the amount of money being spent by the Government.

Benefits secured from NCB went straight into the NCB deficit.

Mr Alan Stevenson (East Fife, C) said it was disgraceful that the Government had not taken the opportunity to loosen, however slightly, the stranglehold of monopoly and restrictive trade practices which prevented this industry from achieving its potential as a key national resource.

Mr Thomas Ellis (Wrexham, SDF) welcomed the Bill and they had now a look forward to realistic pricing. For years the industry had suffered from unrealistic pricing resulting from capricious political interventionism.

Mr Anthony Marlow (Northampton North, C) said the Government should consider a clause to allow the partial privatization of part of the industry.

There should be powers to enable the Secretary of State to hand over individual coal mines and mining areas to the people who worked within the industry.

This had been done with the National Freight Corporation, and seemed to be popular with those who worked for it.

Mr Moore said Britain was the only EEC country which had a major commitment to investment in the future of its coal industry.

British miners were at the top of the industrial wage scale, but were only just over the average industrial wage.

The Bill was read a second time.

£1m milk loss in Wales

Mr Nicholas Edwards, Secretary of State for Wales, said a Commons written reply that he was advised by the Milk Marketing Board that there were no significant milk losses in Wales attributable to adverse weather in December.

As a result of the January blizzard the board estimated that seven million litres of milk were lost in Wales at an approximate value of £1m.

The Bill was read a second time.

Recent improvements in productivity

had not all been gloom. The men and management had achieved

productivity improvements and the board had kept its targets set out in 1980-81.

The coal producing areas, including Scotland, were showing an increase in productivity

of nearly 10 per cent.

Britain had the lowest production cost and the lowest level of production grants among the European coal industries.

Tebbit rejected the TUC's proposal as irresponsible.

He said the work ethic of the 1990s

was based on the right price for the right markets.

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Government will double number of consultants

By Anabel Ferriman Health Services Correspondent

More patients will be seen by hospital consultants in future after the Government's decision yesterday to double the number of consultants by the 1980s, as recommended in the Short Report on medical education.

The report, published last October, recommended fewer junior doctor posts and more hospital consultants. As junior doctor posts become empty, some will be regraded into consultant posts.

There are now about 14,000 consultants in Britain and 26,000 junior hospital doctors. The Government wants two consultants for every junior doctor.

Its immediate aim is a one-to-one ratio by 1988 and to that end the Government has asked regional health authorities to freeze all senior house officer posts.

In its reply to the report, produced by the Social Services Committee chaired by Mrs Renée Short, Labour MP for Wolverhampton North-East, the Government says it is its policy to change the balance between senior and junior staff, partly because patient care is best provided by fully trained doctors and because doctors should not remain in training longer than necessary.

At present, the average medical graduate wishing to pursue a hospital career does not become a consultant before he or she is over 37 and has occupied a junior doctor post for more than 13 years, the report says.

Although it has been government policy to change the balance, the actual achievement of these objec-

GPs favour private medicine, survey says

By John Chartres

A substantial majority of family doctors in Britain support private medicine and believe it relieves pressure on the National Health Service rather than harming it, according to a survey conducted by the British United Provident Association (Bupa).

The survey results also claim to show that there has been a substantial swing in political opinion among doctors from the Conservatives to the Social Democratic Party. It was conducted among 400 GPs in Britain, commissioned by Bupa and conducted by Medical Research Factors Ltd.

One finding was that 83 per cent of GPs believed that more people would see their doctors privately if the cost of drugs was the same for everybody, whether NHS or private patients. Bupa claims that the private sector is supported by 72 per cent of doctors.

The figures published in the survey say that doctors, asked whether they agreed with the existence of private medicine, replied in the following terms: agreed strongly, 33 per cent; agreed, 39 per cent; neither agreed nor disagreed, 15 per cent; disagreed, 7 per cent; disagreed strongly, 5 per cent.

The substantial growth of private hospitals was endorsed by 71 per cent of family doctors, the survey claims, with almost half "very strongly" in favour. The Bupa statement said that many Labour politicians and trade union leaders had claimed that private medicine harmed the health service.

That view, the statement said, had been rejected by doctors, of whom a majority (67 per cent) believed that private treatment relieved the strain on the National Health Service.

The statement also claimed that the result showed that doctors' views were the same as those of the general public, as established by previous independent national opinion polls.

It added that whereas in the last general election 66 per cent of doctors said they had voted Conservative, now 39 per cent say they would support the SDP/Liberal Alliance.

Lawyers seek removal of judge

By Nicholas Timmins

A motion calling for the removal of Judge Lord Dunboyne, who on Monday accused defence council of unnecessarily prolonging a riot trial, will be put to the annual meeting of the Society of Black Lawyers on Friday. Mr Rudi Narayan, a barrister and acting society secretary, said yesterday that if the resolution is passed it will be sent to the Lord Chancellor.

The counsel who was criticized was Mr Sibghat Kadri, joint chairman of the Society of Black Lawyers and president of the Standing Conference of Pakistani Organizations.

During the trial of a black youth arrested during the Brixton riots, he clashed repeatedly with Judge Lord

Ban on tax cut to save art works expected

By Frances Gibb

The Treasury is expected to reject one of the key proposals of a Commons select committee of MPs for tax concessions designed to prevent the loss of further important works of art abroad.

The proposal was one of several made by the MPs under the chairmanship of Mr Christopher Price, Labour member for Lewisham, West, in a report on tax rules governing works of art published last April.

The Government is due to respond to the report shortly. But fears are growing in the art world that Treasury officials intend to reject the recommendation that the Capital Transfer Tax concession on the surrender of an art work in lieu of taxes should be raised from 25 to 75 per cent.

Such an increase would encourage private owners to offer their heirlooms to the nation rather than sell them on the open market and to pay their taxes in kind rather than in cash. Much of the money allocated by the Government for operating the system has not been used.

The purchasing power of American museums, which poses a threat to private collections in this country, is well highlighted in an article in *The Burlington Magazine*.

Mr Edmund Pillsbury, director of the Kimbell Art Museum, Fort Worth, announces acquisitions in the past year by the museum of more than a dozen European paintings estimated to be worth \$15m (£8m).

The acquisitions, several of which are published in the article for the first time, include works by Velazquez, Manet, Carracci, Stubbs, Claude and Sickerd and span five centuries.

Among the masterpieces are "The Butcher Shop", by Carracci, formerly in the collection of Lord Aberdeen; hitherto unpublished work by the rare Neapolitan master, Bernardo Cavallino, recently brought to light on the London art market, and a version of "Ennui", by Walter Sickert, in the Tate Gallery.

There is also an important little-known painted sketch by Benjamin West of the debate in Parliament on the future of the American colonies when William Pitt entered on crutches and fainted.

On West's death it went to a Welsh collector, in whose trip it remained until the late 1970s.

The museum is a small example of the increasing wealth of foreign museums which the MPs were aiming to counteract. The biggest threat comes from the J. Paul Getty Museum, Malibu, which has capital of \$1.206m and a yearly income of \$55m.

After more than five years of legal wrangles, the Getty legacy is expected to be granted probate soon and these funds will come on to the art market.

DEAD MAN WOULD HAVE DENIED RAPE

From Our Correspondent Doncaster

A detective accused of rape had had a holiday abroad with his alleged victim during a year-long relationship, it was disclosed yesterday.

George Hall, aged 35, was due to appear in court yesterday to face a charge of raping and assaulting a police constable but he was found dead last week at his home with a plastic bag over his head seconds before the house was wrecked by a gas explosion.

His solicitor told magistrates at Doncaster that Hall had gone beyond the ambit of the offence in imposing a five-year sentence.

Lord Justice Ackner, sitting with Lord Justice May and Mr Justice Stocker, said the sentence imposed on Sarjeant by the Lord Chief Justice for discharging a firearm with intent to alarm the Queen was "not wrong in principle or excessive".

He said the Queen managed to steady her horse after Sarjeant fired an imitation Colt Python revolver.

The Lord Chief Justice was amply justified when he said that had Sarjeant been able to obtain a real gun and live ammunition, he would have tried to murder the Queen.

"If he had fired a real pistol with live ammunition, clearly indicating an intention to endanger life, it would have been totally unrealistic to have charged him under Section 2 of the 1842 Act", the appeal judge said.

"He could have been charged with attempted murder, with a maximum life sentence or, by contemplating the death of her Majesty, with high treason, under an Act of 1551, which is still a capital offence."

Mr John Mathew, QC, for the appellant, said Sarjeant had sought self-glory and was to be remembered by his "historic" act. He had no intention of harming the Queen, and the trial judge had gone beyond the ambit of the offence in imposing a five-year sentence.

Lord Justice Ackner, however, said Sarjeant had indicated an intention to kill in his notebook and tapes and in correspondence with friends. He had tried to obtain a firearms certificate from the Folkestone police and ammunition for his father's pistol.

The prosecution was fully entitled to put an explanation of his conduct before the court and would have been failing in its duty not to, he said.

Minor injuries in the struggle to arrest him.

Mr Narayan said yesterday: "From the information that we have received the clashes were largely due to the judge's inability to hear clearly and not Mr Kadri."

The judge said it was irrelevant that the defendant received injuries. That is a monstrous thing to say, and he praised five police officers for fighting off one boy. We consider Mr Kadri conducted the trial as well as he could."

Mr Kadri accused the Special Patrol Group of being the SAS of the police, and said the defendant, Mr Anthony Amos, aged 20, was kicked and brutalized. Judge Lord Dunboyne is said to have intervened to say: "it does not matter if the accused was maltreated. There are plenty of courses for alleging malpractice against the police. That is not the issue at the moment."

The judge praised police for causing Mr Amos only



Taste of freedom: Mr Bulent Ecevit, former Prime Minister of Turkey, leaving an Ankara prison on Monday after serving two months for issuing a press statement.

Banished leader of Copts offers olive branch to Mubarak

From Christopher Walker, Cairo, Feb. 2

The banished spiritual leader of Egypt's minority Coptic community, Pope Shenouda III, has sent a private letter to Copts living in America, urging them to provide a warm welcome for President Hosni Mubarak, who began his first official visit to Washington today.

A copy of the appeal, written from the desert monasteries where the Pope was indefinitely banished last September, has been shown to *The Times* by Mr Muhammed Heikal, the prominent Egyptian journalist who was released from prison on President Mubarak's orders last November.

The acquisitions, several of which are published in the article for the first time, include works by Velazquez, Manet, Carracci, Stubbs, Claude and Sickerd and span five centuries.

Among the masterpieces are "The Butcher Shop", by Carracci, formerly in the collection of Lord Aberdeen; hitherto unpublished work by the rare Neapolitan master, Bernardo Cavallino, recently brought to light on the London art market, and a version of "Ennui", by Walter Sickert, in the Tate Gallery.

There is also an important little-known painted sketch by Benjamin West of the debate in Parliament on the future of the American colonies when William Pitt entered on crutches and fainted.

On West's death it went to a Welsh collector, in whose trip it remained until the late 1970s.

The museum is a small example of the increasing wealth of foreign museums which the MPs were aiming to counteract. The biggest threat comes from the J. Paul Getty Museum, Malibu, which has capital of \$1.206m and a yearly income of \$55m.

After more than five years of legal wrangles, the Getty legacy is expected to be granted probate soon and these funds will come on to the art market.

It was obvious that one aim of the President was to try and humiliate us. For what other reason would you force a man like Fuad Serageddin (the former leader of the now dissolved New Wafid Party, who is 77) to sleep on a stone floor with only one blanket?" Mr Heikal told me. "Our only food was almost too revolting to eat and was pushed at us through the bars."

During his ordeal Mr Heikal, former editor-in-chief of *Al Ahram*, lost 24lb in weight and was kept in a cell with two former members of the Egyptian Parliament and seven members of an extreme Muslim group.

He said that his journalistic instinct helped him to survive by enabling him "to treat everything as a witness and not a victim."

The moderate tone of the letter is seen as evidence that the Government might soon be prepared to lift the order which has kept the Pope under virtual house arrest inside his monastery at Wadi Natrun, between Cairo and Alexandria.

Already a number of the coptic churchmen who were among the victims of Sadat's secret purge have been released as have all the former President's political opponents and many Muslims. There have been strong hints that scores more releases can be expected soon.

One Government official told me that special military precautions still in evidence close to many of Cairo's main public buildings are also scheduled to be considerably relaxed.

The detective who had had a holiday abroad with his alleged victim during a year-long relationship, it was disclosed yesterday.

George Hall, aged 35, was due to appear in court yesterday to face a charge of raping and assaulting a police constable but he was found dead last week at his home with a plastic bag over his head seconds before the house was wrecked by a gas explosion.

His solicitor told magistrates at Doncaster that Hall had gone beyond the ambit of the offence in imposing a five-year sentence.

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Palestinian autonomy problem for America

From Nicholas Ashford, Washington, Feb. 2

President Hosni Mubarak of Egypt's visit to Washington this week comes at a time when the United States is still groping for a way to move ahead with the Middle East peace process.

Describing the changed atmosphere in Cairo and all Egypt's other main towns, Mr Heikal said: "For the first time for many years the country feels that it has a President who is talking to them and not through them. The Muslim fundamentalists are still around, but the tension has vanished. People feel that all the doors which were previously closed to them are now open."

Mr Heikal, who was one of the closest confidantes of President Nasser, spoke of the conditions under which he and other political opponents of Sadat were held in the notorious El Tora security jail on the outskirts of Cairo. He said that the detainees were kept 10 ft by 12 ft and had one open toilet.

"It was obvious that one aim of the President was to try and humiliate us. For what other reason would you force a man like Fuad Serageddin (the former leader of the now dissolved New Wafid Party, who is 77) to sleep on a stone floor with only one blanket?" Mr Heikal told me. "Our only food was almost too revolting to eat and was pushed at us through the bars."

During his most recent trip to the Middle East, Mr Alexander Haig, the Secretary of State, attempted with some success to ease the tension which had begun to develop between Israel and Egypt and to reassure them of the United States commitment to Camp David.

Israel and Egypt have also pledged their determination to carry out the agreements which were made in 1978, but the pieces of paper which were signed then are beginning to look frayed round the edges.

Privately they concede that the differences between the two sides over their respective definitions of autonomy are as deep as the Red Sea.

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For the Americans, the unpredictable behaviour of Mr Menachem Begin, the Israeli Prime Minister, remains a source of constant concern. They believe actions such as the annexation of the Golan Heights and the establishment of more settlements on the occupied West Bank not only undermine the peace process but make it more difficult for Egypt to continue to be seen as dealing with Israel.

On the Egyptian side, President Mubarak remains something of an enigma. American officials like to emphasize that he is committed to the policies initiated by his predecessor. But they also note that he has a mind of his own and that his style is very different from that of Sadat, who was so admired by the American public.

There have been changes both in style and substance in Egyptian leadership since President Mubarak came to power in October. He is less flamboyant and less extravagant and has made it clear he intends to concentrate on domestic rather than foreign issues.

He has also taken steps to emphasize Egypt's commitment to non-alignment and to demonstrate that Egypt is not a client of the United States. To this end he has started to improve relations with his Arab neighbours, even to the extent of reopening the border with Libya.

He is buying \$1,000m (£550m) worth of Mirage fighter bombers from France and is allowing a group of 59 Soviet technicians into Egypt to repair equipment supplied before the 1972 breach in Egyptian-Soviet relations.

American officials say this does not mean Egypt is again going to look to the Soviet Union for help.

But Mr Philip Rice, for the Chamberlains, said earlier in his final submission that an investigation had not found the body or a weapon linking it to the baby's death. He said that despite adverse evidence from experts all the testimony of witnesses at the camp site supported Mrs Chamberlain's account that the child was taken by a dingo (wild dog).

He emphasized eyewitness accounts that only a few minutes elapsed between the baby being seen alive and Mrs Chamberlain shouting that Azaria had been taken by a dingo.

The return of the technicians may help President Mubarak achieve what he considers to be the main purpose of his visit: to win American approval for a big increase in military aid and greater flexibility in Egypt's handling of the \$1,000m it receives in economic assistance.

It has long been a bone of contention by Egypt that it receives less military assistance than Israel. It argues that it needs larger and speedier supplies of American arms to replace the outdated equipment it was sent by the Soviet Union during the 1960s and 1970s.

Some of the worst weather conditions in the world are

51 dead as
US faces
new storms

New York.—A new storm system left 51 dead in the Midwest. A Mid-west was warned ready for another heavy weather. It was expected to leave People dead and thousands stranded in almost all the towns in the Mid-west. About 15 who had been buried in the snow. The storm moved east and brought down trees of over 100 feet tall in St Louis. It reached nearly 14 miles wide up to 40 per cent in the Mid-west.

S jet loses
ve missile

Waldheim walks
a new job

Waldheim walks
the forces

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Marchais party debates its election failures

From Jonathan Fenby, Paris, Feb 2

The French Communist Party opens its triennial congress tomorrow in quest of a new lease of life to reverse a pattern of steep electoral decline and nagging internal differences.

Despite the presence of four Communists in the Government, the party is at its lowest ebb since the Second World War.

For an average of more than 20 per cent of the vote in successive elections up to 1969, the Communists fell to 15 per cent in last year's presidential elections. An internal party survey is reported to put their present electoral following at only just over 10 per cent.

The downward trend has also been evident at recent local elections and the party chose not to field any candidates in four by-elections last month.

This kind of record might be expected to put the leadership of most political movements in jeopardy. But Communist leaders, from M Georges Marchais, the secretary-general, down are expected to be triumphantly confirmed in their posts at the five-day congress in the Paris suburb of Saint-Ouen.

Some explanation of what has gone wrong is needed, however, and M Marchais and his colleagues have shown they have long memories when it comes to finding a culprit. The fault, they have decided to tell the congress, lies with the

party's leaders of 25 years ago who failed to chart a proper course in the destabilization period after 1956.

With the blame laid primarily on dead men, the leadership can turn this week to explaining how it plans to achieve its aim of "building socialism in the colours of France."

Its main problem is that President Mitterrand and the Socialist Party are already doing precisely that. With a Socialist administration firmly in power pursuing a radical programme of reforms, the room left for a genuine Communist movement is obviously questionable.

Awareness of this has led to a recently concealed internal debate rising up to high levels in the party ranks between those who see participation in the Government as the only way of boosting the party's standing and others who think that association with the Socialists is both ideologically wrong and electorally dangerous.

Marchais has been performing a balancing act between the two groups, with the aim of preserving party unity. The danger is that, by shifting from one side to the other, the party may be bewildered and speed up the decline in the number of active cell militants that has been evident in recent years.

The hard-line attitude is very much in evidence in the party's insistence that the CGT action could do little to damage which widespread CGT action could do to its economic recovery plans.

Employers in Spain vow to fight

From Richard Wigg, Madrid, Feb 2

The head of Spain's influential employers' confederation and Señor Felipe González, the Socialist leader, have clashed over nationalization. It was one sure sign that electioneering had begun amid the uncertainty about how much longer the Calvo Sotelo Government can battle on without a stable majority.

Señor Carlos Ferrer, President of the CEOE, decided to give an assurance that his organization would not seek to bring down a Socialist government if it won power.

But while in Seville yesterday to survey the prospects in Andalusia's first elections to a regional parliament, the Catalan industrialist and banker indicated the employers would fight nationalization by the back door and help those opposing a Socialist model of society.

Since the employers' organization took part in the Galician regional elections last October, when Señor Manuel Fraga's right-wing Democratic Coalition defeated the ruling Centre Democrats, no one here is surprised by Señor Ferrer's intervention.

Señor Ferrer denies that Spain's employers want to see a fusion of the Centre Democrats and the Fraga forces before the polls or that he favours an early general election.

The employers' leader spoke out in spite of Señor González's assurance in an economic weekly the Opposition party does not intend to nationalize anything if it wins power.

The Socialists' party conference in the autumn only committed the leadership to studying the possible nationalization of the energy sector and some fields of banking.

"For the present, in view of the state apparatus already existing in Spain, nationalization would only bring impoverishment," the Socialist leader declared. It was not true to identify nationalization with progressive attitudes or vice versa. Franco had nationalized as had Italy's Christian Democrats.

FRONTIER TRAFFIC RESUMES

From Harry Debelius, Madrid, Feb 2

Traffic flowed smoothly in both directions at points all along the Franco-Spanish border today after police took over from striking French customs officers and ended a four-day border blockade that had stopped thousands of big lorries on both sides.

Last night, the situation began to improve at crossing points in the Irún-Hendaye area, near the Bay of Biscay, and then at La Junquera, at the eastern end of the Pyrenees, as the lorries began moving slowly. Earlier yesterday a route had been opened for private passenger cars at the western end of the border.

Nevertheless, with as many as 4,000 lorries affected in each of the principal crossing areas the backlog was not expected to be cleared for another day at least.

French police offered special escorts to convoys of Spanish vehicles on certain main routes to prevent any repetition of the recent attacks by French farmers on lorries and trains carrying Spanish fruits and vegetables.



Rabbi Dov Rokach, right, recognized leader of Jewish orthodoxy, at Heathrow yesterday when he arrived for a seven-day visit in which he will open a new Rabbinical college in London.

Pentecostalist abandons Moscow hunger strike

By Our Foreign Staff

Miss Lida Vashchenko, the 31-year-old Soviet Pentecostal who went on a hunger strike more than a month ago in the American Embassy in Moscow in an effort to emigrate to the West, has ended her fast, United States officials said yesterday.

In a telephone link-up with press conference in London, a spokesman for the American Embassy said that United States officials who visited Miss Vashchenko in a Soviet hospital yesterday morning had found her taking solids for the first time.

A piece of bread was lying on a table in the hospital room where she is apparently being well treated by Soviet doctors, the spokesman added.

Miss Vashchenko's sister, Lyuba, who is still living in the one-room basement flat of the Embassy in Moscow where the family took refuge three-and-a-half years ago remains highly doubtful that Lida has abandoned her fast.

She told reporters in London yesterday that she was "free of physical" damage except for her loss of weight.

Dr Hobbs, who attended the press conference in London organized by the campaign to free the pentecostals, who originally came from Siberia, was asked to examine Miss Vashchenko because her family feared that she might be mistreated by the Soviet authorities.

In another telephone link-up with London, Miss Vashchenko's Soviet doctor told reporters yesterday that the hospital authorities doubted whether their patient had been on a hunger strike for as long as a month.

Miss Vashchenko's 52-year-old mother, Augustina, who has also been refusing food in the embassy flat, is continuing her protest.

Carrington quotes Marx on Russia

From David Watts, Manila, Feb 2

Prospects for world peace will be improved if certain countries can be persuaded that voluntary acceptance of constraints does not limit their sovereignty, Lord Carrington told a festive audience at the University of the Philippines today after accepting a doctorate of law.

It would be, for example,

in the interests of Namibia and all its neighbours that Pretoria be given assurances that an independent Namibia would not become a base for operations against South Africa.

The Foreign Secretary, making the main speech of his South-East Asian tour, described what he saw as the threats to peace and outlined the ways in which peace might be strengthened by the non-communist world.

A theme of Lord Carrington's tour of the five countries of the Association of South-East Asian Nations is support for ASEAN's stand on Cambodia and the Foreign Secretary took the opportunity today to praise the group's efforts.

M. Henri Krasnicki, who will become head of the CGT later this year, said at the weekend that the pace of change was too slow in certain areas and that the Government was disappointing its supporters.

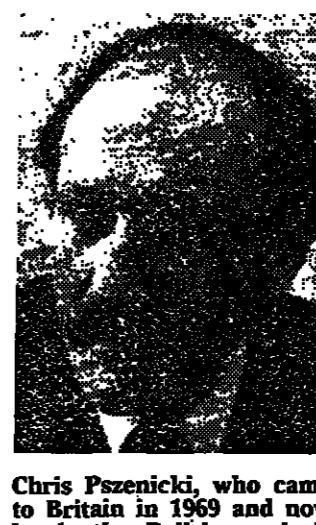
While the general labour peace that has reigned since last summer continues there has been a flurry of labour agitation to protest at the working week to 39 hours is being applied, and the Government is well aware of the damage which widespread CGT action could do to its economic recovery plans.

The BBC's radio 'empire': 50 years of international broadcasting



Józef Bilinski producing one of the daily programmes in Polish. Since the imposition of martial law in Poland, the broadcasts have been increased to 3½ hours a day

A service on which the sun still never sets



Chris Pszenicki, who came to Britain in 1969 and now heads the Polish service's staff of 25

There is something almost deliberately understated and restrained about the celebrations that the BBC is mounting this year to mark the fiftieth anniversary of broadcasting to the world.

Nothing showy is planned, just a service in St Martin-in-the-Fields, a concert at the Royal Albert Hall and an international painting competition on the theme "Nation Shall Speak Peace Unto Nation".

It is somehow typical of the calm, old-fashioned, almost religious atmosphere which pervades Bush House, the twentieth-century Town Hall stranded on its island site in the Aldwych, from which broadcasts in 37 languages are beamed to the furthest corners of the globe.

The eight-storey building which suffers one of the worst lift systems in London, and is only now being rid of the dangerous asbestos lining its walls, is a temple of plain living and high thinking which still exudes a Reithian sense of gravitas and earnest commitment now perhaps less often found in the corridors of Broadcasting House.

When the BBC started broadcasting overseas in 1931 it was under the title of the Empire Service. Bush House, sandwiched between the Australian and Indian High Commissions, and the home of BBC external services since 1940, remains one of the last imperial outposts in a post-imperial age. The aim may now be cultural influence rather than colonial domination but the belief in the benefits of spreading British values of liberal democracy and fair-minded tolerance remains as strong as ever. The strains of the march Imperial Echoes still introduce the daily radiowave on the World Service, which broadcasts 24 hours a day in English.

Admittedly, there is a distinct feeling of an empire in retreat. Thirty years ago Britain was easily at the top of the league table of international broadcasters in terms of hours broadcast every week. Now we are down to sixth place with North Korea and Albania breathing down our necks. The beginning of this year saw the axing of three language services—the Italian, Spanish and Maltese (the last admittedly had a staff of only one) because of Government spending cuts.

The statement, made to the press, that the BBC remains top of the table. The latest research gives BBC External Services a global audience of 100 million (excluding China, from which no figures are available), significantly more than those achieved by either Radio Moscow or the Voice of America. That is despite ageing transmitters, many dating from the Second World War, which produce a signal for the BBC in most parts of the world that is weaker and more difficult to pick up than that of its rivals. Money is now at last available for a complete replacement programme.

The more irreverent inhabitants of Bush House say that the reason for the BBC's large audience is the continuing pre-eminence of British pop music. The Polish service receives as many letters about the Top Ten as it does about the activities of Solidarity and a recent British visitor to Soviet Central Asia was surprised to find his tourist guide complaining bitterly that the World Service Pop Club was transmitted too late at night.

But what chiefly distinguishes the BBC from its main competitors in the field of external broadcasting, and must in large part explain its enormous audience, is and unique reputation, is its political independence and impartiality. Although financed by a grant-in-aid from the Foreign and Commonwealth Office (£53m for this year), the External Services are totally free of any editorial interference by the Government. There are no Foreign Office personnel in Bush House and the department's involvement is limited to discussions about the duration of broadcasts.

Anatol Goldberg, a Russian and one of the longest-serving members of the BBC's external services. His name used to be unmentionable in the Soviet Union; now it rates 1½ pages in a government publication

Total programme hours per week of the world's major external broadcasters

	1950	1960	1970	1980
USA (Radio Moscow)	533	1015	1908	2034
USA (Voice of America, Radio Free Europe & Radio Liberty)	497	1495	1907	1901
Warsaw Pact countries (excluding USSR)	386	1009	1284	1528
China (Radio Peking)	66	697	1287	1350
West Germany (Deutsche Welle)	—	315	779	904
Britain (BBC)	643	559	723	719

Some audience figures

India (Hindi broadcasts) regular audience

BBC 35m
Radio Moscow 5m
Voice of America 3.5m
Radio Peking 1.8m
Deutsche Welle 1.2m

Bangladesh (Bengali broadcasts) Percentage of population listening to:

BBC 4
Deutsche Welle 2.5
Radio Moscow 2.3
Radio Sofia 2

Chile (Spanish broadcasts) Percentage of population listening to:

BBC 1.2

Voice of America 1.8

Radio Peking 1.5

Radio Moscow 0.8

Deutsche Welle 0.2

Greece (Greek broadcasts) Percentage of population listening to:

BBC 4
Deutsche Welle 2.5
Radio Moscow 2.3
Radio Sofia 2

Voice of America 2

Radio Peking 1.8

Radio Moscow 1.5

Spanish National Radio 0.8

Deutsche Welle 0.2

Chile 1.2

Voice of America 1.8

Radio Peking 1.5

Spanish National Radio 0.8

Deutsche Welle 0.2

Chile 1.2

Voice of America 1.8

Radio Peking 1.5

Spanish National Radio 0.8

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Spanish National Radio 0.8

Pym's game: The stakes are raised

by Peter Stothard

Richard Ford on the key issues in Ireland's snap election

Dublin "He's right", shout the campaign posters of Dr Garret Fitzgerald's Fine Gael party, plunged into an unexpected general election after defeat on tough budget proposals aimed at resolving Ireland's economic problems.

But whether the nation's 2.2 million voters, faced probably for the first time in the state's history with an election in which the politicians have few or no sweeteners to offer, accept his "hair shirt remedy" for the crisis is another matter.

Rarely can an administration have entered a campaign with such an inauspicious start. Hit in the solar plexus by the one-vote defeat, wrangling in the small Labour Party on the advisability of fighting on a joint ticket with their coalition partners and then, 48 hours after the budget, dropping the plan to put 18 per cent VAT on clothes and footwear for children under the age of 10.

Though all three major parties were short of funds and policies, it is the coalition who, just seven months after taking office, have the uphill task of fighting on budget proposals that hit almost every sector of society.

"How typical of Ireland to have a government fall over the price of a pint", said one man after the defeat on the proposal to increase beer by 2p a pint. But that was only one of many Draconian measures outlined in what Dr Fitzgerald himself admitted was the "toughest budget in the history of the state".

The country seems almost weary at the prospect of another campaign so soon after last year's but, with a degree of energy that would surprise the major parties in England, riva posters were appearing on Dublin's streets within hours of the government's collapse.

And the coalition have recovered quickly from that initial shock, dealt and pinned their survival firmly in the hope that they will get support for being seen to take politically unpopular measures. Little other strategy was available to them, having made the fatal political miscalculation of not securing the support of independent members on whom they relied for survival. To retreat in any major way from their proposals would have had a devastating effect; their political credibility would have been in tatters.

Credibility, honesty, and responsibility have suddenly become issues in Irish politics during recent months as the nature and scale of the

Who fancies the doctor's hair shirt?

problems facing the country became more apparent. They are issues on which Dr Fitzgerald can hope to capitalize and already, as he appeals for support at a time of national emergency, he is saying that honesty as well as the budget, will be a key issue.

"I think the issue in this election is who you trust," he said in opening the Fine Gael-Labour election campaign. There was no alternative to his budget strategy, he added, using a refrain reminiscent of Mrs Thatcher's reply to her critics. Then he proceeded to wrap the issue of the national crisis firmly around himself, saying "politics is not just about staying in power, for the sake of staying in power. There are times of national emergency when the country has to be put first".

Though stressing that the economy is the major issue, Fine Gael strategists will continue to project Dr Fitzgerald as the man the people



Dr Fitzgerald and Charles Haughey: will their contest end in stalemate again?

can trust. There is, they believe, still a lot of goodwill towards him. In contrast, the opposition Fianna Fail are unlikely to be content with a presidential-style election confrontation between Dr Fitzgerald and Mr Charles Haughey, but will hammer away at the budget.

Already Fianna Fail advertisements are appearing in newspapers emphasizing the full increases announced last week and saying "Reject the coalition budget". But if Mr Haughey thinks, as he and his party appeared to do in

Francis Pym's blunt message to the nation to expect continuing high unemployment and to moderate its expectation of living standards did not come as a surprise to his political friends or enemies; but the massive reaction to it did.

In recent weeks the Treasury has been conducting an apparently successful campaign to get the tough Budget which it wants. Its ministers have spoken of the Government "winning the battle" and the economy "moving in the right direction" to a position of "steady recovery". Last week's Cabinet meeting on the economy, at which Mr Pym made no more than his usual muted contribution, left ministers with the feeling that not much extra would be done to bring the country more quickly out of the recession.

With the spectre of US interest rates hanging menacingly over the Budget judgment and threatening to make nonsense of any decision over whether a mere £1,500m or £3,000m be given to help industry, the wets stood in disarray. All the Treasury saw that it had to do was to keep on putting out the promise of how little short-term difference to employment even a very large fiscal stimulus would bring.

So what was Mr Pym trying to achieve by this latest of his

"realism" speeches? The most obvious answer is that it was simply a repeated call for the Chancellor to do more to help industry than he is currently intending.

According to this view, Mr Pym has seen the Treasury's so-called "recovery ahead" and does not like what he sees. Sir Geoffrey Howe's "recovery" is no recovery at all and, in the absence of James Prior in Northern Ireland, Lord Carrington in the Far East and William Whitelaw in who knows where, it falls to Mr Pym to marshal the opposition battalions.

On this interpretation Mr Pym is a Tory loyalist who, while skilfully distancing himself from the Prime Minister, does not want her to change her course.

It is fashionable to praise Mr Pym as a consummate politician while deriding his effectiveness even denying that he is making any effort — in the job of chief government news coordinator.

He is determined to stop the Treasury fighting its Whitehall battles by misleading the public and endangering Conservative election chances.

The Cassandra has been consistent; while Mrs Thatcher will not thank him for it and will continue to brook no charges of error at 10 or 11 Downing Street, he stands to win the thanks — and possibly much more than the thanks — of the Tory party in the end.



Henry Fairlie

Imagine 'Brideshead' without sex or religion . . .

Telephoning three people the other Monday evening in three different time zones, I met the same irritated and even abrupt response from them all. They wanted me to get off the line as quickly as possible. I had unwittingly chosen the hour of 9 pm in each zone, from New York to Wisconsin to Colorado, when the second episode of *Brideshead Revisited* was being shown on public TV. British television had pulled it off again. By the end of the first episode — three have now been shown — it had hooked tens of millions of Americans.

It is not yet clear to me how the story can be spun out over 13 episodes. But even if there are some less than exciting passages, that will not bother Americans.

Ever since they were captivated by *Upstairs, Downstairs* eight years ago, fretting for months when Lady Bellamy went down in the Titanic, they have been willing to watch almost any series which Britain sends over, however remote the story from their own experience and environment.

Mobil Oil raves in sponsoring *Brideshead*; Alistair Cooke raves in his introductions to each episode; television reviewers rave about the production, wondering why the American networks cannot do the same; and most of one's friends are delirious with delight.

Fianna Fail are being tipped as favourites but Dr Fitzgerald has the edge in personal terms this election is crucial for the leaders of all three political parties. None of them, if defeated at the polls, would be expected to last long as leader.

Within 24 hours, Fine Gael's strategy appeared to be working as the opposition were forced on to the defensive, with Mr Haughey's finance spokesman admitting they would have to increase taxes in some areas, and agreeing that Fianna Fail, if elected, would reduce the current deficit to the same level proposed by the coalition.

Fianna Fail's difficulties on economic strategy are a major credibility problem. Only two years ago, Mr Haughey, while Prime Minister, told the country in a

can trust. There is, they believe, still a lot of goodwill towards him. In contrast, the opposition Fianna Fail are unlikely to be content with a presidential-style election confrontation between Dr Fitzgerald and Mr Charles Haughey, but will hammer away at the budget.

Already Fianna Fail advertisements are appearing in newspapers emphasizing the full increases announced last week and saying "Reject the coalition budget". But if Mr Haughey thinks, as he and his party appeared to do in

any case, the Irish face tough years ahead but in personal terms this election is crucial for the leaders of all three political parties. None of them, if defeated at the polls, would be expected to last long as leader.

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centred on little more than a rather silly and in the end boring romance, with only a few dutiful looks at the way the Irish clapped and clambered their way out of their ghettos.

Everything that was brawling, passionate, fierce, brutal in the story of the immigrants was made glossy. Even the building of the railroads across the country, in which the Irish played so large a part, was told with only a few conventional hints of the exploitation, or even of the sheer human cost of the extraordinary endeavour. A continent was conquered by steel rail. It might have been boys playing with Meccano.

This is all the more strange since even in what is little more than a prime time soap opera, *Dallas*, there was some willingness to come to grips with the harshness of the kind of lives it depicts. Yet there is a lesson to be learned even from what has happened to *Dallas*. Today it is neither as lusty nor hard bitten as it was in the beginning. It certainly no longer attracts the same following as when everyone was wondering, "who killed JR?" What has happened?

The networks are quick to respond to and explore a popular mood. Two of the new cop shows this season, *McLaine's Law* and *Strike Force*, are almost disdainful of suspects civil rights. The police are celebrated for breaking the law to get their man. Both programmes are typical of the willingness of the networks to follow but not try to form public opinion or taste. They are, simply, alarming shows.

Yet there is a revolution afoot which may change American television so radically that the networks may barely survive in their present form. The cable television systems here will soon have 60 channels; it will not be long before perhaps a third of American homes receive them. Even these numbers, cable television will create particular audiences of fairly well-off viewers, to whom the advertisers wish to appeal.

Even in the networks, as they push into cable television to save their very existence, are launching cultural and news programmes which previously they did not bother to make. The telecommunications technology, partly as a result of the space programme, is only in its most elementary stage of development. But it would not be surprising if, by 1987, American television had at last replaced Britain in the prestige which its programmes earn.

If *Brideshead* had been made specifically for the American networks, both the sex and religion would have been cut out. That would rather be like cutting out the whaling passages from *Moby Dick*.

The *Manions of America*, which was meant to be a chronicle of the Irish immigrants in the nineteenth century, is also called *Sebastian*, that goes down all the better. If another is called *Anthony Blanche*, that does no harm, either.

It is true that commercial television here is much more of a wasteland than it should be and, one suspects, need be. It is too cowardly in the face of the ratings; it under-

estimates viewers' intelligence and taste, and usually it will not persist in experimenting with a good programme if it is not popular in the first few episodes.

There was a good example earlier this season of how the commercial networks often botch their attempts to produce a programme comparable to one of the best British series. ABC went to the expense and trouble to make a six-hour drama called

The Manions of America, which was meant to be a chronicle of the Irish immigrants in the nineteenth century. This was a golden opportunity to tell one of the greatest and most vivid sagas in American history.

But it was a flop. The task was given to a practiced writer of soap operas, and the whole six hours, running on three successive evenings,

is not only religion and sex which are now handled more gingerly. As in *The Manions of America* — in which the raw political struggle of the Irish immigrants should have been central — politics was really not be surprised if, by 1987, American television had at last replaced Britain in the prestige which its programmes earn.

As a way of doing things, going into union is a common situation several times itself establishes there is an element of criticism. Political and legislative schemes from an always provide sufficient measure to meet the demands of the community a decent in the country helping. The test for the government is to see if it can be formed to command widespread acceptance in Ireland. Cos

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P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

WHO GUARD THE GUARDS?

The Treasury's skill at massaging numbers to suit any current expediency has long drawn the admiration of administrators, politicians and commentators alike. Rarely has it been more remarkably demonstrated than in its official submission to the Megaw Inquiry into Civil Service pay which has so far curiously escaped commentary.

Whatever its prime objective, one consequence of the Treasury's submission is to lay the arithmetical and philosophical foundations for the largest possible pay increase for civil servants, including those employed at the Treasury. Two obstacles stand in their way. First is the 4% pay target which the Treasury ministers announced at the start of this pay round. That, presumably, can be left to ministers themselves to explain away, if and when they concede. Second, and potentially more difficult, is the system of cash limits which many among a naive public take to be the bedrock of the Government's approach to public sector pay. The great contribution of the Treasury's submission is that it explains how the cash limit system can in fact be suspended in the particular case of the civil servants themselves who administer it. This explanation will be especially welcomed by the various other groups of public sector workers who have so far been told during wage negotiations that there is only a finite amount of money in the public kitty and that therefore their unions must accept the painful trade-off of job cuts for pay increases.

The civil service has wriggled out of this corset in two stages. During last year's pay dispute, they shrewdly pressed Lord Soames, then the Minister responsible, and

he conceded that negotiations this time would not automatically be restricted from the beginning by a predetermined cash limit. That gave them a little more elbow room, though the Government then clearly reserved the right still to impose a limit such as 4 per cent in the national interest. The Treasury paper to Megaw now goes much further. While describing a settlement in excess of financial provisions as 'hypothetical' it spells out with commendable candour exactly how it and its civil service colleagues would, and presumably will, evade its own cash limit system: 'The relevant cash limits can be increased by supplementary estimates presented to Parliament after the beginning of the financial year. The presumption would be that any increases in cash limits would be charged to the contingency reserve, and would not therefore add to the planned total of public expenditure for the year'.

This statement is of considerable significance. It announces that the contingency reserve, which was introduced and has normally been used for such genuine emergencies as British Leyland and British Steel or for new policy initiatives during a financial year, is now in fact available to be raided to boost public sector pay. The Treasury may feel that this is not a great danger if the intention is that only civil servants will have access to the coffers. But it is not a reassuring principle that there is one law for the authors of the cash limit system and quite another for everyone else. In any case it is not clear that everyone else will or should accept this. Nurses, teachers, doctors, power workers who

have been told in the past, and are now being told again, that the resources are finite, will now know that this is not true. They will all now know that they can strike for an extra slice of the contingency reserve — which next year will be around £3 billion. Once that game begins there is no reason why most or all of the reserve should not be grabbed for public sector pay — which would lead to a further deplorable distortion in the balance between current and capital expenditure.

There is absolutely no reason, apart from their privileged role in drafting and administering the relevant policies, why civil servants should enjoy privileged exemption from cash limits and privileged access to the contingency reserve. They already enjoy other privileges which workers in private industry and services have reason to envy. Over the past six years the pay for manual workers in national government service has increased substantially more than, and for non-manual a little more than, the average for the economy as a whole. As for unemployment, since Mrs Thatcher took office the number of jobs in public administration and defence has fallen by only 2½ per cent while it has fallen by 8 per cent in the economy as a whole.

The Chancellor presumably accepts his department's view that the 4 per cent pay target has been abandoned, that the contingency reserve is available to finance excessive public service pay settlements, and that civil servants are exempt from the system of cash limits which they administer. If not he should say so, inside his department and in public, and quickly.

DO-IT-YOURSELF DEVOLUTION

Reticence usually descends on the Northern Ireland office when it has an initiative in the oven. This time it is more like a cookery class. The ingredients are laid out, their properties discussed, the mixture tasted. The only reason for some uncertainty remaining about the dish is that the cooks are making up the recipe as they go along.

The general idea is that the province will be offered rolling, or do-it-yourself, devolution. The idea was invented back in Mr Humphrey Atkins's days by Dr Brian Mawhinney, an Ulsterman who is Conservative member of Parliament for Peterborough. Its theoretical merits are, first, that it does not require agreement of the parties to a cut-and-dried scheme of provincial government as a pre-condition for anything happening at all; and second, it would not necessarily be a total write-off (like the 1974 executive) if it met an accident and one of the co-drivers pulled out. At one stage the word "unboycottable" could be heard. But that temptation to fate has been dropped. The only sense in which anything is unboycottable in Ireland is the sense in which the Titanic was unsinkable.

As a way of getting something going, rolling devolution has a claim to be tried, the stationary sort having several times failed to get itself established. First of all there is an elected assembly, confined to deliberation and criticism. Power, executive and legislative, will be available from an à-la-carte menu, always provided that a sufficient measure of cross-community agreement is evident in the demand for each helping. In previous post-Stormont plans for devolution the test for this measure of agreement has been in the mind of the Secretary of State ("If it appears to the Secretary of State ... that a Northern Ireland Executive can be formed which, having regard to the support it commands ... is likely to be widely accepted throughout the community") — Northern Ireland Constitution Act 1973. This time Mr Prior is looking for a formula, a weighted majority within the assembly, such as to satisfy two conditions: the hurdle must be high enough to preclude an all-Protestant majority walking off with the prize, and not so high as to give one faction a permanent veto on movement.

It could be hard enough to hit on that magic number

when the deputies are sitting in their places, let alone before they are elected. But if it can be found, it has the large advantage of allowing the parties as represented in the assembly to determine among themselves the pace and mode of provincial self-government. And so it is hoped, once the first dose of power is taken, addiction will follow and the price for larger doses, which is some sort of coalitionism, will be forthcoming.

Other associated ideas have come to the surface. One was to ease transition from the merely consultative to the executive phase by having the Secretary of State, as "chief executive" in the province, appoint members of the assembly or other Ulster worthies to executive posts in his entourage, junior ministers in fact. That has probably fallen down for constitutional reasons. Unless Parliament had already transferred executive responsibility to provincial shoulders it would not look kindly on the exercise of executive authority at the political level by persons who were not answerable to it.

One odd idea which floated into the press at the weekend is the restoration of the governorship of Northern Ireland, meant presumably as a sweetener for unionists. It is unlikely to be pursued at this stage. The office, representative of the monarchy, the leaders of the SDLP in Northern Ireland are their own men, but the attitude of Dublin is one of the factors shaping their policies. A Fianna Fail government there would have a negative influence.

And then there is the fundamental difficulty that does not change. Coalition, partnership, power sharing, whatever name is given to it, is called upon to bridge the primary political divide, the deepest of them all, a contradiction of allegiances. When the identity of a society is split, when there are two mutually exclusive and equally passionate answers to the question, 'With whom do we belong?', when the issue is carried into a campaign of naked violence directed against the institutions of the state, and when external influences are directed towards undermining the status quo, no one should be surprised, still less morally contemptuous, if the elected representatives of the two incompatible allegiances shy away from forming a political alliance.

Second, the deterioration of Ulster's economy is so alarm-

ing that no well-intentioned public representative can be insensible of his duty to rally to its defence. The re-establishment of some kind of devolved administration broadly acceptable to both communities, though far from being a "solution" to the constitutional problems of the province, would undoubtedly assist economic survival by improving the context for inward investment, on which the employment and wealth of the province so much depend.

Third, the rudiments of trust between nationalists and unionists that cross-community devolution presupposes are all too easily shattered by the atrocities of republican violence. The outlook in that respect is better than for some time: numerous arrests in the North, large arms finds in the Republic, the curiosity of an IRA amnesty for informers, all suggest that the IRA is under exceptionally heavy pressure from security forces on both sides of the border.

And the reasons for fearing that Mr Prior will be no more successful than his predecessors? One is the shadow of the general election in the republic. Mr Haughey, the bookies' favourite, writes off in advance any proposals for running Northern Ireland that are internal to the province and are not in the context of high unity. The leaders of the SDLP in Northern Ireland are their own men, but the attitude of Dublin is one of the factors shaping their policies. A Fianna Fail government there would have a negative influence.

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Second, the deterioration of

His aim is reportedly to compile a computerized list of like-minded extremists.

While the *Spectator* is always reluctant to turn away advertising revenue (and even has in the past accepted small ads from Mr Irving offering free copies of features produced by his *Focal Point* magazine), we have rejected his latest advertisement. Not only are we profoundly out of sym-

pathy with Mr Irving's objectives; we also doubt whether the *Spectator* is read by the "branch secretaries" he is hoping to reach.

Yours faithfully,
ALEXANDER CHANCELLOR,
Editor,
Spectator,
56 Doughty Street, WC1
February 2

Right objectives

From the Editor of the Spectator

Sir, *The Times* Diary reported on Monday that the extreme right-wing historian, Mr David Irving, "plans a series of advertisements in newspapers and periodicals, including the *Spectator*, in which he will offer cash to branch secretaries of right-wing groups for their current mailing lists."

Battle over level of air fares

From Lady Burton of Coventry

Sir, At last we seem to have reached the stage when it is accepted that air fares in Europe are too high. But have we reached the next position, when airlines, governments and government organizations are willing to look at the reasons? I emphasize "willing".

Over past years when we have raised this matter we have always met with the response that (a) the fares were not too high; (b) comparisons with other countries or with the United States were not valid because conditions were different; (c) it was not possible to reach agreement.

There is no doubt that scheduled air fares are arranged between airlines and governments. In other words, airlines and IATA (International Air Transport Association) are indistinguishable. Only the air traveller, the consumer, and the would-be consumer is excluded. National airlines' spheres of influence are maintained to the detriment of the consumer, and an economical fares structure.

Agreements between most countries, except for those in the United States of America and in some cases between the United Kingdom and France, provide for only one national carrier from each country. In no case within Europe is there open entry to an international route, and competition is frequently limited to the two national carriers. Competition on fares is restricted in many bilateral agreements.

We are now informed that the Government is to support the argument at the European Court of Justice put forward by Lord Bethell but that British Airways is in opposition. This seems unfortunate.

Surely there must be more scope for more competition and lower fares in Europe without going to the extreme of the United States domestic deregulation.

Security charges, landing fees, air traffic control are items that come immediately to mind.

Mr Roy Watté (chief executive of British Airways) holds office this year as chairman of the Association of European Airlines: perhaps he and Lord Bethell together could be the

chancellor's catalyst in this saga which has gone on for far too long.

Yours faithfully,
BURTON OF COVENTRY,
House of Lords,
February 1.

LETTERS TO THE EDITOR

Lloyd's 'self-denying ordinance'

From Sir Philip de Zulueta

Sir, As a member of Lloyd's and former chairman of a holding company owning a Lloyd's broker I am distressed and surprised by the controversy which seems to have arisen concerning the so-called immunity clause in the Lloyd's Bill being discussed in the House of Commons on February 3.

Some people seem to look at Lloyd's as if it were the Stock Exchange, equating the underwriting names with investors on the stock market and Lloyd's brokers and underwriters with stockbrokers and jobbers. Others seem to assume that the Committee of Lloyd's resembles a professional regulatory body like the Bar Council or the Law Society.

These are quite misleading analogies. The members of Lloyd's are, collectively, the partners in the society, but expressly undertake the risk of "each for his own part and not one for another". In so far as individuals succeed in making claims against the society all the members have to pay. The committee are simply elected agents of the society and have no funds separate from those of the members, i.e., the society as a whole.

Lloyd's is a unique institution of great value to this country. All the members of Lloyd's are involved in underwriting risk business and it is, alas, inevitable that losses as well as profits will arise.

The overwhelming majority of members have accepted this point and agreed the clause. I hope that Parliament will not refuse to sanction this self-denying ordinance desired by the bulk of the members of a private, albeit nationally important, institution.

Yours faithfully,

PHILIP DE ZULUETA,
3 Frederick's Place,
Old Jewry, EC2.
February 2.

against claims by policy holders. Nor does it protect the society against mistakes made by its servants in the ordinary course of their duties or in bad faith. All that is sought is protection of the society from individual members seeking to mitigate their own commercial losses by transferring the cost of these to all members.

It is surely most unreasonable to expect underwriting names, many of whom live abroad, to be liable for the commercial losses of other members even if these arise from negligence or breach of duty, including breach of Lloyd's regulations, by an underwriter or broker. Lloyd's can only function if members consent to accept responsibility for the acts of their agents.

The Lloyd's Bill does not attempt to avoid self-regulation, indeed the main object of the Bill is to modernise and strengthen the powers of the committee. But without the so-called immunity clause the danger is that the whole society could be harmed, particularly overseas, by individual members taking legal action against the society as a whole.

The overwhelming majority of members have accepted this point and agreed the clause. I hope that Parliament will not refuse to sanction this self-denying ordinance desired by the bulk of the members of a private, albeit nationally important, institution.

Yours faithfully,
P.H. DE ZULUETA,
3 Frederick's Place,
Old Jewry, EC2.
February 2.

Mapping for the future

From Mr Roland Wade and others

Sir, In a recent leader (January 20), you rightly expressed concern at possible consequences of the Government's proposal to create a trading fund to finance the Ordnance Survey (OS). The ability of the OS to continue to produce its full range of maps and services could be seriously undermined if its financial basis were altered in this way.

But your leader understates the depth of anxiety these proposals are causing to a broad spectrum of interests. Not only are our own organizations disturbed at the OS's proposed change of financial status; but also we understand such bodies as the Royal Society, the Royal Geographical Society, the Association of Metropolitan Authorities and the Standing Committee of Professional Map Users (whose members include the Royal Institution of Chartered Surveyors and the Royal Town Planning Institute), have expressed reservations.

Moreover, there has been a new development since your leader was written. On January 20 the Environment Secretary told Parliament that his department's proposed contract with the OS will be subject neither to consultation with map users nor to approval by Parliament. This gives further weight to our concern.

The scope of that contract would define the level of the services remaining outside the contract would be left to stand or fall exclusively on their commercial merits. Many OS services should be judged on social rather than commercial criteria. They would undoubtedly suffer if they were excluded from the contract.

Nothing less than the future scope and quality of the country's mapping service is at stake. We urge the Government to reconsider its proposals.

Yours faithfully,

ROLAND WADE,
JOHN HUNT,
E. W. HIBBERD,
JOHN PARFITT,
Council for the Protection of Rural England,
Gilmerton House,
Dunino,
St. Andrew's, Fife.

unions and their members would be much more likely to be harnessed if it was plain that their members, too, would feel the immediate consequences of Aslef's action.

Like *The Times*, the EEC strongly regrets the omission from the Bill of this lay-off provision. We certainly do not lightly advocate this provision, but it is necessary to supply a remedy proportionate to the abuse. And, as you correctly point out, in your leader of January 23, such a provision would do much to restore the balance of industrial power in areas where small groups of workers are strategically placed to bring large organizations to a halt. We urge the Government to supply this necessary remedy.

I am, Sir, your obedient servant,

ANTHONY FRODSHAM,
Engineering Employers'
Federation.

Broadway House,
London Street, SW1.

February 2.

First, it is incomprehensible how the buyer's premium could be "essentially a shoddy means of

making the vendor believe that the auctioneer is taking a smaller cut on the sale of his goods than is in fact the case". How could the vendor possibly be ignorant of the parts and total of the commissions?

Second, members of my family, and friends and associates of mine who have been long-standing buyers at Christie's and Sotheby Parkes' Berneis in New York, assure me that there has been precious little criticism of the addition of a buyer's premium at the New York auction houses.

The raising and lowering of commissions is a part of doing business in a free enterprise system, something that a less free enterprise system might do well to contemplate. To say as your editorial did, that the buyer's premium is "a stain, even if a slight one, on Britain's reputation for fair dealing that they forced the charge on America" is met with disbelief from this side of the Atlantic.

I regret to conclude that degree of slant against the auctioneers exhibited by London newspapers is such that it may be a "stain, even if a slight one" on the reputation for fair play enjoyed by London journalism.

Yours sincerely,

ROGER LANCELYN GREEN
Foulton Hall,
Foulton-Lancelyn,
Bebington, Wirral.
January 22.

the manuscripts, for obvious reasons of safety, but from typescripts which Menella had made by a local typist. She assured me that they were absolutely complete, with the exception of vol. 8 (1862-64) which she typed herself, omitting certain passages which she considered too private for publication. She assured me that none of the omissions referred to Lewis Carroll, but to other members of the family, and were of a purely personal and private nature.

I see no reason to doubt Menella's word, supported by her sisters, Violet, Lucy and Gladys, whose friendship I valued greatly and retained until the end of their lives, visiting them frequently at Leamington, and subsequently at Wantage.

Yours truly,
ROGER LANCELYN GREEN
Foulton Hall,
Foulton-Lancelyn,
Bebington, Wirral.
January 22.

City limits

From Mr G. H. Neild
Sir, At Heathrow today I saw an Australian airliner named "City of Townsville". Even by the new standards of near-English this must be some sort of record tautology.

Yours sincerely,
G. H. NEILD,
17 Camberwell Grove, SE5.
February 1.

THE ARTS

Cinema: Manila Festival

Where charity begins abroad

The first Manila International Film Festival sustained its momentum to the end. The spectacle and hospitality were on a scale with which no festival within memory has ever competed, and were constantly enlivened by the unpredictable improvisations of the volatile First Lady of the Philippines, Imelda Marcos. The extravagance and the determined effort to woo the American moguls were not however appreciated by those local film-makers who complain of official discouragement to development of a serious Filipino cinema and who demand as a result to cold-shoulder the event.

At another level of hostility towards the festival, terrorist threats of bombs and assassinations happily came to naught; and the worst that happened to the guests was to be pealed with flowers at the closing night gala. There was however the excitement of a small earthquake, during the second reel of the Canadian film. Most of the audience (no doubt thinking it was *Sensurround*) sat the tremor out. The sissies among us, remembering that the great festival palace had been built in a matter of weeks, made a rapid exit as the chandeliers tinkled overhead; but the building proved equal to the shock.

The 21 films in competition maintained a very creditable standard. More than one third were debut works, and the jury unanimously voted the Grand Prix to one of these, *36 Chowinghee Lane*, directed by Aparna Sen, already known as an exceptionally gifted actress. Her film is assured and resourceful, comparable in achievement and stature, as well as theme, with De Sica's *Umberto D*.

The film was produced by the well-known Indian star, and scion of a famous movie dynasty, Shashi Kapoor, whose wife Jennifer Kendall (sister of Felicity) plays the leading role. By some miracle of dramatic innovation, the beautiful Miss Kendall transforms herself into a grey and wispy elderly Anglo-Indian spin-

ster, struggling to teach Shakespeare to high-spirited and uncaring schoolgirls.

Her drab life is suddenly joyously brightened by friendship with a young couple in the regeneration she embodies in her art, but her spirit and the solace she finds in her beloved Bard are strong enough to bring her through the discovery of how callously her young friends have used her. The portrait is minutely observed; and Aparna Sen finds a universal and finally elating quality in this intimate depiction of loneliness and resilience.

Another first work by an Asian woman director, Rachel Zem's *Cream Soda and Milk*, found less readily acceptance with the critics, but is remarkable in the variety of Hong Kong cinema. Within the required formula of a story which offers a popular audience fast action and strong sentiment, Miss Zem's narrative of a brother and sister thrown by a broken home, to opposite ends of the social scale explores little-known areas of Hong Kong life. Largely shot on real locations, in slums, schools and the red-light area, it vigorously exposes the effects of social and racial inequality and economic privation.

From New Zealand, Roger Donaldson's *Smash Palace* also explores a wholly realistic and contemporary human situation: Bruno Lawrence's performance as a divorced husband who kidnaps his own daughter after being refused rights of access deservedly won the prize for best actor.

Eastern European films were strongly in evidence. The festival presented a large-scale retrospec-

tive of Hungarian cinema, and the Hungarian film in composition was Pal Gabor's *Wasted Lives*, an exploration (like the same director's *Angi Verz*) of the human effects of the Stalinist era. From Poland, *Vabank*, a spirited absurdist comedy about a bank-robbery, earned Juliusz Machulski a special jury prize for an outstanding directorial debut. The Yugoslav Goran Markovic's satirical picture of the politics of school administration, *Jacks of All Trades*, took the prize for best direction. A rather chaotic comedy, *The Beloved Woman* of Mechanic Gavrilov, at least deserved its award for the leading performance of the popular Soviet comedienne Liudmila Gurchenko.

Special jury prizes were awarded to Peter Weir's *Gallipoli* and to Karel Reisz's *The French Lieutenant's Woman*. Other films by established European directors however proved disappointing: Francois Truffaut's expert and unimportant *La Femme d'a coté*; R. W. Fassbinder's half-baked updating of the *Blue Angel* story to Adenauer's reconstruction Germany, *Lola*; and a dull ghost story by Dino Risi, *Fantasma d'Amore*.

Including a large information section, the Manila Festival screened in all some 200 films from 40 countries, and was intended, said its organizers, "to orient local movie audiences with the styles and genres of the cinema of other nations and prove that films are indeed the language of all races and nations." It may all have proved a heavier experience for the Filipino audience than was ever anticipated. Films shown in the festival bypassed the

ordinary rigorous national censorship, and the experience of seeing films as controversial in their several ways as *Lady Chatterley's Lover*, *Man of Iron*, *Death Wish II* and *Stalker* undoubtedly left powerful impressions.

As it happened the festival coincided with and even perhaps participated in a critical confrontation between the film-makers and the censors, which is seen as the biggest obstacle to the emergence of a serious national cinema. In recent weeks responsibility for censorship has passed from the military authority to a civil board among whose 40 members society ladies predominate, and which makes the former military censorship seem, by contrast, positively liberal.

The particular focus of mistrust is the chairman of the board, a one-time beauty queen, now in her sixties, Maria Kalaw-Katigbak, whose first efforts have revealed capricious despotism, not to mention a touch of pyromania: she has burnt offending sections of film negatives on the spot to preclude any possibility of future appeal or reconsideration.

Matters came to a head during the festival with the total banning of two new films, *Schoolgirls* (in which the only apparent offence was that young girls were shown to become pregnant), and an action picture, *Boy Condenado*. In this case it is thought that the story bore too close resemblances to the real-life case of a celebrated gangster called Ben Tumbling. Tumbling was an orphan boy who gained his living as a street acrobat (hence his name) and subsequently became a criminal and police informer. He was killed when he finally rebelled and turned against the police. Posthumously he has acquired the status of folk hero, partly from his own Robin Hood exploits, partly as a tragic exemplar of the legacy of the slums. Past projects to film the story of Ben Tumbling have met with total prohibition.

The Manila directors today plan a demonstration at the presiden-



Shakespeare for schoolgirls: Jennifer Kendall with Debashree Roy in "36 Chowringhee Lane".

palace to demand the ousting of the ancient beauty queen from her place on the censorship board.

Nearer home, the Manila Festival prompts reflections on the fairly consistent and culpable neglect of foreign film events by the British diplomatic service. For a start it seemed a trifle inconsiderate that the Embassy did not advise the British delegation that most western diplomatic representatives had received warning of intended terrorist activities. Moreover, while every other foreign embassy gave a reception for the showing of the national entry, the British were nowhere in evidence for the screening of *The French Lieutenant's Woman*. That this was not part of any plan to avoid being comprehensive in this area. Doubts already exist. Now that fertility drugs are being used to increase the number of eggs produced in the monthly cycle and increase the prospects of successful conception, such doubts have intensified. What does or might happen to the surplus eggs and embryos?

Dr Trounson is freezing them for examination and there appears to be scientific agreement that valuable information can be obtained there. But the question immediately in such work is the one Dr Edwards posed himself: When does life begin?

For the first time Steptoe, the doctor, and Edwards, the scientist, allowed cameras into their Bourn Hall Clinic in Cambridge; in America, TVS filmed a complete record of the making of a test tube baby and the first American test tube birth; they also visited the Animal Research Station where experiments are taking place on embryo freezing, and talked to Dr Alan Trounson and his Australian team who are working on the freezing of human eggs and embryos.

It was a packed programme, excellently produced, which tried not to neglect the ethical considerations. But because of the limitation that time imposes on content, it could not hope to be comprehensive in this area. Doubts already exist.

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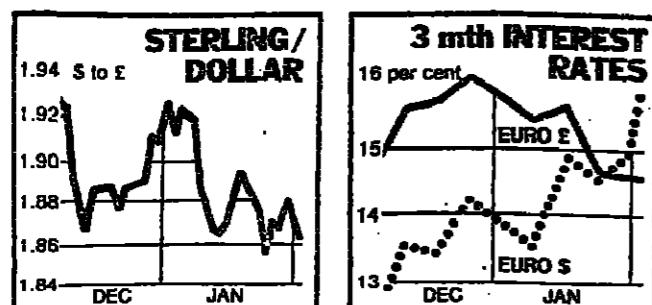
ACCOUNT DAYS : Dealings began, Jan 25. Dealings end Feb 12. Contango Day, Feb 15. Settlement Day, Feb 22

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14% 1982 30% -4+ 24,129 23,804	100% Tres 14% 1982 30% -4+ 24,209 23,834	100% Tres 14% 1982 30% -4+ 24,289 23,864	100% Tres 14% 1982 30% -4+ 24,369 23,894	100% Tres 14% 1982 30% -4+ 24,449 23,924	100% Tres 14% 1982 30% -4+ 24,529 23,954	100% Tres 14% 1982 30% -4+ 24,609 23,984	100% Tres 14% 1982 30% -4+ 24,689 24,014	100% Tres 14% 1982 30% -4+ 24,769 24,044	100% Tres 14% 1982 30% -4+ 24,849 24,074	100% Tres 14% 1982 30% -4+ 24,929 24,104	100% Tres 14% 1982 30% -4+ 25,009 24,134	100% Tres 14% 1982 30% -4+ 25,089 24,164	100% Tres 14% 1982 30% -4+ 25,169 24,194	100% Tres 14% 1982 30% -4+ 25,249 24,224	100% Tres 14% 1982 30% -

BUSINESS NEWS

How US rates moved



Three-month dollar interest rates have moved a clear point above equivalent sterling rates. British rates might well have risen in line with dollar rates but for Bank of England action to keep them down. Despite the differential in favour of New York, the pound has held up reasonably well against the dollar and has been particularly firm against other European currencies.

Reserves rise by \$62m

The United Kingdom's gold and foreign currency reserves fell by \$122m in January to \$23,225m (£12,333m). However, after allowing for official transactions, there was an underlying increase of \$62m. Net public sector borrowing under the exchange cover scheme boosted the figures by \$94m, but against this there was a \$77m repayment on the IMF oil facility and a \$201m decrease on revaluation of the gold content of Britain's European Currency Units.

No bar to BNOC sales

Foreigners and overseas companies will be allowed to buy shares in the exploration and production arm of the British National Oil Corporation when it is privatized, Mr Nigel Lawson, Energy Secretary, confirmed yesterday. The articles of association of the newly privatized corporation will prevent any foreigner taking control however, he insisted.

Mr Lawson refused to confirm reports that the board of BNOC had voted unanimously against the Government's plans to split the corporation into two arms.

Big fall in BNOC sales

BNOC has started the year with a big fall in its monthly sales. Preliminary figures circulating in the motor industry showed that the state-owned company took only about 14.3 per cent of all sales against 21.2 per cent in the previous month. Imports were nudging 60 per cent in market expected to be about 125,000 or 10 per cent down on January last year.

Meanwhile, the Japanese kept their market share down to only about 9.3 per cent with Volkswagen Audi moving ahead of Datsun as the top importer. Ford's share of 31.5 per cent gave the company a clear market lead.

The Department of Industry has set up a study group with members from the government, industry and the universities to chart the future for information technology products in Britain.

MARKET SUMMARY

Bears beat the blues

of a forecast loss in the machine tool division. The shares rose 1p to 63p.

One group to have benefited from the recent train drivers' dispute is Bentalls, the departmental stores group, where the shares eased 1p to 37p. Word has filtered through that shoppers faced with the disruption to services have been buying locally throughout the January sales. In addition, the group last week opened a shopping complex at Tonbridge, consisting of 60,000 sq ft of retail space.

Seven cases were dismissed because the supporting evidence was not sufficient and 16 cases were withdrawn by the companies, the department said.

According to the complaints, the products were made in Britain, Belgium, France, Italy, Luxembourg, the Netherlands, West Germany, South Africa, Brazil, Spain and Romania.

Official inquiry on US steel dumping

Washington, Feb 2. — The United States Government says there is enough merit in most of the complaints of unfair trade filed by American steelmakers against 11 foreign steel producers to warrant a formal investigation.

The complaints charge that a variety of foreign steel products have been either illegally subsidized by government aid to industry or dumped on the United States market at prices below the cost of production.

The Commerce Department must decide on the subsidy cases no later than June 10. A dumping ruling is due by August 9.

The Commerce Department said last night that 109 of 132 petitions filed by seven United States steel companies on January 11 will be investigated.

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Management 'obstacle' to robots in industry

By Clive Cookson, Technology Correspondent

Managements' ignorance and fear, rather than union resistance, is the chief obstacle to the introduction of robots in British industry, according to an international study by Inbucor Management Consultants.

In nine detailed studies of British companies which have recently introduced robots, the Inbucor report says that workers' initial suspicions could be overcome by "judicious and sympathetic consultation". Mr Stephen Dale, director of Inbucor's advanced technology group, knew of no British company whose unions had prevented the introduction of robots, though, he admitted, one or two companies had "mucked up their industrial relations" in the process.

Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, was quite enthusiastic about robotics in a section he contributed to the Inbucor report. "A sensible approach will allow us to move into an

era in which we attain levels of prosperity and peace unprecedented in human history," he wrote.

Japan has between half and three-quarters of the world's population of about 20,000 industrial robots.

British industry, which is quite a fertile territory for robots, has a present robot population of about 600, the sixth largest in the world, after Japan, the United States, West Germany, Sweden and Italy.

Numbers have doubled in the past three years and are increasing.

The present generation of relatively immobile and insensitive robots could perform only about 2 per cent of the world's total manufacturing activity. But a new generation of mobile, intelligent robots — moving around the factory on wheels or legs, and responding to what they "see" around them — is already more than a gleam in the Japanese researchers' eyes.

Sporting types, bracing themselves for what the smart money says is dearer drinks, smokes and motoring in the Budget on March 9, are already trying to claw back some of their cash from the politicians.

As of yesterday, some are already having a flutter in sterling on dollar price movements in politically-sensitive gold on the Ladbroke Index.

The Ladbroke, formerly the Coral Index, is offering a market in the movement of the London gold price. This is in addition to the existing books on the FT, Dow Jones and Hang Seng indices, as well as one-offs like numbers

of goals scored in the World Cup soccer games.

"We didn't think there was room for another market in gold, but our clients kept ringing up and saying 'Please make us a market in gold'", Mr Chris Hales, managing director of the Ladbroke Index, said.

This, however, is only the tip of the iceberg as punters — and the rest of us — drift towards 1984. The General Election must be held by May of that year.

Mr Pollard, the Ladbroke director responsible for "special event" betting, says: "One of the most fascinating bets I'm working on at the moment — it's as well as one-offs like numbers

Mrs Thatcher: Could she lose Finchley next time?



Laker chief confident for future

High flying Freddie

By Peter Wilson-Smith

Sir Freddie Laker appears to have taken his bankers by surprise by announcing yesterday that his airline's financial troubles are over.

"Altogether I've raised £60m and for the first time in weeks you can say that I am buoyant and talking to the press. I am flying high today and couldn't be more confident about the future," Sir Freddie said before boarding a British Airways Concorde at Heathrow to fly to New York.

Although the complex package to put together a rescue package to save Laker Airways are understood to have been progressing satisfactorily, if slowly, Sir Freddie's optimistic statements are understood to be premature.

The rescue package for Laker has yet to be signed although there is growing a feeling among bankers that a deal can still be reached subject to various conditions.

To help solve Laker's cash crisis, American aircraft engine manufacturer McDonnell Douglas is understood to have conditionally agreed to inject up to £5m cash and is also understood to be conditionally prepared to convert loans in the region of \$50m to £60m (£26m to £32) into some form of convertible preference shares.

Clydesdale Bank, which has been supporting Laker since September with a rising overdraft facility thought to be £7m to £10m is not expected to increase this further.

Sir Freddie said yesterday: "The total package, including



Happy days are back again for Sir Freddie

bank guarantees, borrowing facilities and the restructuring programme means an investment of £60m and it is the second biggest investment in aviation in this country — second only to British Airways."

Intensive talks have been going on for several months among Laker's bankers to try and save the airline.

As part of the rescue package Laker is expected to be forced to sell off its three A300 airbus which were brought with the help of a \$131m syndicated loan arranged through Midland Douglas and the main part of Bank.

LME acts to calm fears on tin prices

By Michael Prest

London Metal Exchange officials have moved to calm the tin market ahead of the dates on which speculators who went short almost three months ago are due to meet their obligations. Recently there has been some anxiety that tin price movements over the last couple of months could leave speculators with debts they cannot pay.

The main measure taken by the LME committee is to set a maximum backwardation of £120 a day. A backwardation occurs when the cash price of a commodity is higher than forward prices. The latter are normally higher because they include storage, financing, insurance and other costs.

Mr Philip Smith, chairman of the LME board, stressed that the limit, which he described as an "understatement", did not mean that the difference on any day between a cash and a forward price could not be more than £120.

Instead, a seller who is unable to fulfil his commitments by covering his position in the market — entering into a buy contract which effectively cancels his sell contract — can default for a day by paying £120 premium to the party to whom he agreed to sell the tin.

This measure, which Mr Smith said was unprecedented in the LME's history, arose from discussions which the LME committee has held in recent weeks with LME members. Those talks revealed that all members would be able to meet commitments on such terms. The committee is satisfied that no member is too exposed.

But the immediate reason for the move is that at least two shiploads of tin have been delayed. The physical tin is needed by those speculators whose three-month forward sell contracts fall due on February 25 and 26.

The backwardation limit comes into force today. The fears of financial distress and disturbances on the tin market date from the end of November. Heavy buyers of tin, believed to be backed by producers, particularly Malaysia, then switched from buying forward tin to cash tin. This created the backwardation, so that last night cash tin in London was £8,605 a tonne while the three-month metal was £7,972.

Speculators, who market traders believe to be mainly foreign, did not think this backwardation could be held, so they went short.

Exchange clears J. Brown

By Our Financial Staff
International engineering contractor John Brown has been cleared by a Stock Exchange investigation of any irregularity surrounding share dealings immediately before making a forecast of losses in its machine tool division.

The Stock Exchange's Quotations Committee also cleared the company of publishing misleading information on its prospects in the circular before last September's £24m rights issue.

After discussing the problems during 1981 in the machine tool division with Mr John Mayhew-Sanders, chairman, and the group's financial advisers, the committee concluded that the rights issue document did not fail to disclose information material to the company's prospects.

A suspension of listing before the announcement of likely losses would have been inappropriate, the committee concluded, and it said that all dealings in the shares between November 19 and December 2, 1981, were carried out in good faith and without any knowledge of the loss forecast.

Newspaper reports of the Committee's decision was greeted with relief in the market where John Brown shares rose 1p to 63p.

It now claims to have increased its share of the market by three points to 17 per cent as Dulux's share fell to 25 per cent.

Much of Crown's success was due to the launch of Matchpots, the little sample size pots of emulsion available for colour testing.

They have helped Crown achieve brand leadership in the silk emulsion sector.



Dulux takes pot shot at Crown

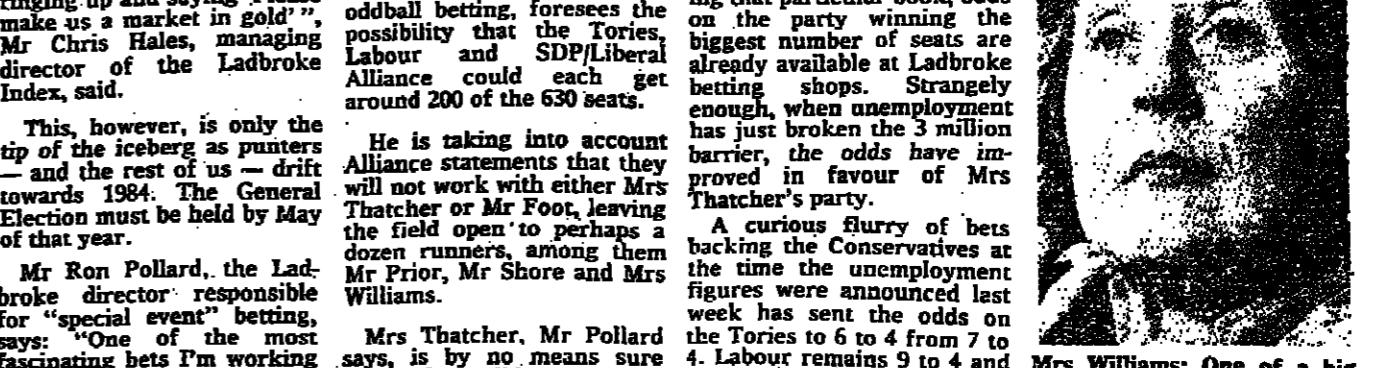
Dulux, Britain's leading paint maker, is enlisting the aid of that most colourful of televised ball games, snooker, to ward off Crown, its nearest rival in the £300 million paints market.

In a television advertisement being screened for the first time this week, Dulux is using a snooker table to emphasize the durability —

It now claims to have increased its share of the market by three points to 17 per cent as Dulux's share fell to 25 per cent.

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Mrs Thatcher: Could she lose Finchley next time?

While Mr Pollard is still doing his sums before making that particular book, odds on the party winning the biggest number of seats are already available at Ladbroke betting shops. Strangely enough, when unemployment has just broken the 3 million barrier, the odds have improved in favour of Mrs Thatcher's party.

A curious flurry of bets backing the Conservatives at the time the unemployment figures were announced last week has sent the odds on the Tories to 6 to 4 from 7 to 4. Labour remains 9 to 4 and SDP/Liberal Alliance 11 to 8.

Mrs Williams: One of a big field for Number Ten?

LESNEY PRODUCTS

Matchbox hopes to strike it rich

This is the time of year the £300m-sales toy industry looks not so much to signed new season orders but listens to the trade vibrations at key showwindows like this week's toy and hobby fair at Earls Court, London (Derek Harris, writes).

So far, although nobody expects more than a tough trading year, the vibrations are moderately encouraging.

At least for the first time in two years the London fair, which ends today, has not been dominated by talk of the demise of manufacturers, like Dunbee Combe Marx in 1980 and Airfix last year.

Statistics are lacking but the verdict on last Christmas is that it was an improvement on the disaster of 1980 although some stock was left in the retail pipeline. Nevertheless there are already improved orders for items selling through the year.

The question mark over Lesney Products, the Matchbox range company which has the largest manufacturing base in Britain of any in the industry, has mainly

been over their 1981 losses and high borrowings.

At mid-term to last July the Lesney pre-tax deficit was down to £3.87m following a full-year pre-tax loss in 1980 of £10.96m on sales of £90m. Borrowings stood at £33.66m in July against shareholders' funds of £19.07m. Stocks had been cut by well over a third.

Mr John Abbott, chairman of Lesney Matchbox Toys says:

"This coming 12 months could be a recovery year after a survival year. We should get back to profit this year. Now that it is going to be an easy year for anybody".

Mr Abbott, who has had a lifetime in the toy industry, plus boxes on 80 new products in Lesney's four categories, the die-cast models of which is the world's largest manufacturer, motor racing sets, plastic model-making kits and pre-school toys.

Orders so far this year are a third up on last year's poor results but 15 per cent up on the more realistic comparison of 1980.

Mr Abbott says: "At the end of last year Lesney was not holding any obsolete or excess stock."



Selling Lesney: Mr Abbott and full-size model dwarfed by a giant hand

UNITECH

Shares up on US purchase

Losses in Germany and much reduced profit in France have pushed electronics group Unitech's profits down 38 per cent in the opening half.

The fall was forewarned by Chairman Mr Peter Curry who said four months ago that profits for the full year to next May would be about the same as the £4.2m reported last year.

But a 10 per cent dividend rise and news that the group's second half will benefit from a four-month contribution from Milwaukee-based Erie Manufacturing was enough to lift the shares —

10p down at one point — to close 10p up at 235p.

The Half-time dividend is increased from a gross 3.6p to 4p and the £528,000 cost is covered around one and a half times by attributable profits. That has left £304,000 not distributed against £1.32m last time.

Above the line, fees fall 10 per cent to £39.9m and even with a lower interest charge, pre-tax profits fell from £1.38m to £1.47m for the six month to November 29 last.

Mr Curry says that delivery of micro-processors hit Germany and France, but there were now signs that the worst was over.

Unitech is paying 58.4p (4.5m) for Erie which makes and sells valves and other control components to the energy, water purification and medical equipment markets. Unitech's United Kingdom offshoot, Appliance Components, has been agent for the group since 1977.

GOLD FIELDS

Second dividend

Gold Fields of South Africa said yesterday that pre-tax profits for the first six months to the end of December had fallen to R52.8m (£29.3m) from R89.7m.

But the company has declared a second interim dividend of 165 cents, bringing payments in the current financial year to 180 cents, the same as at this time last year. Pre-tax profits for the whole of the previous year were R167m, and the dividend offshoot, Appliance

Components, has been agent for the group since 1977.

While these figures are almost wholly attributable to

the fall in the price of gold — as the decline in Gold Fields warranty that net worth at the end of last December was not less than £5.6m and that net profit before management fees and tax for the same period will be at least £1.32m last time.

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Inco's losses were in large part made in the final quarter when the company included in its results a provision of \$45m for the disposal of battery and other businesses of Inco Electro Energy and \$22m for loans to and debts of Eximbal, the motoball Guatamala nickel mine.

But Inco made a trading loss in the final three months even after these exceptional items have been removed. The loss was \$40.6m compared with net earnings of \$48.4m for the same period of 1980. Profits earlier in the year, however, enabled Inco to make net earnings of \$20.4m against \$25m in 1980.

Inco, whose share of the

world nickel market it once dominated has steadily fallen, said that net sales for the year were down from \$2.15bn to \$1.88bn. Despite a full year loss of \$6.51 a share, Inco has declared a fourth quarter dividend of 5 cents. But the company has managed to reduce nickel inventories from 155 million pounds at the end of 1980 to 144 million pounds.

JANUARY SALES, however, affected by both the weather and rail strikes, give no indication of present trading and the group is giving no forecast.

The group is holding the final gross dividend at 6.25p, making a total of 9.8p gross — covered three times — and the shares gained 5p to 142p just over a year ago.

Prestige, with 74 per cent of its equity held by American Home Products, continues to earn 64 per cent of profits from the United Kingdom and believes conditions this year will improve.

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PRESTIGE

Profits rise

Prestige Group has again shown how to keep effective control over finances with a 16 per cent pre-tax profits rise achieved against a tough market last year.

Prestige, whose chairman is Mr David Lawman, pushed profits up to £6.62m in the year to December compared with £5.7m last time. Sales, however, fell marginally by £700,000 to £54m. The group sells products under trade names such as Skyline and Eversholt.

Improvements in productivity and efficiency are behind the profits rise through further capital investment and tight control of working capital.

Increased earnings from its Australian and South African subsidiaries offset the continuing depressed demand in the United Kingdom and the group's European markets. Return on capital employed is similar to last year, 22 per cent.

After bank overdrafts the balance sheet shows an increased cash position with £3.44m on deposit against £2.25m. The results include £351,000 extraordinary item for the write-down of surplus

land and buildings in Belgium and paper and

land and buildings

BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

**Britton
and
NIESR**

The publicly — and charitably — funded National Institute for Economic and Social Research, bastion of Keynesianism and arch critics of the Government's economic policies, may be in for a shake-up.

Unlike the departing David Worswick, director for 16 years, Andrew Britton, who takes over in October, is no committed Keynesian.

Britton is currently an Under Secretary at the Treasury, concerned with monetary policy. He spent a sabbatical year in the monetarists camp at the London Business School, home of the so-called "international monetarism".

There Britton wrote an (unpublished) paper on the world economy and chewed the fat with Terry Burns, later appointed chief economist to the Governor. Britton, 41, says that he does not accept economics as a "package deal" and says that there is much to attract him in the "new Keynesianism" of Professor James Meade, guru of the Social Democratic Party.

**Gold in them
thar tills**

Chris Hales, the former stock jobber and commodity dealer who now heads the Ladbrooke Index, is now making a book in everything, from the movement in the London price of gold to the number of goals scored in the 52 World Cup soccer games.

There was one game on which he wouldn't give me a bet yesterday, however, and that was how the Trident Television appeal against the loss of the Playboy and Clermont casinos might go.

"No comment. Very delicate area", laughed Hales, conscious of the fact that a couple of years ago Ladbrooke's would have given very long odds against being out of the casino business by 1982.

On gold Hales was more helpful. He said: "I feel that gold had gone down far enough and the next move will be on the up side."



President Reagan and Fed chairman Volcker

Chancellor Howe, French Prime Minister Pierre Mauroy and Chancellor Schmidt

David Blake on a new battle of the Atlantic

Time to untangle the interest rates mess

Three extraordinary developments in the United States in the past 10 days lie behind the Governor of the Bank of England's attack on American interest rate policy on Monday night.

On Tuesday of last week,

President Reagan announced that after weeks of public anguish he had decided not to increase indirect taxes as all his advisers had told him to do. At the same time, Federal Reserve president Paul Volcker announced that he did not intend to push up interest rates, a clear sign that he was seeking to head off Administration criticism of the Fed.

Next day, United States Treasury Secretary Donald Regan went before Congress with a different criticism. The Federal Reserve Board had failed to get money supply under short-term control, thus contributing to uncertainty in financial markets.

As one expert observer remarked yesterday it is hard to make more mistakes within our 24 hour period than that.

Yet the fear in Europe is this week is that it is the rest of the world, not the United States, which will suffer as result of the mess into which American economic policies have descended. In particular, the Europeans fear that they may be forced into having high interest rates for the same reason as the US interest rates mess.

This would choke off European recovery, unless they decided to accept that low interest rates here would produce a drop in their currencies and thus increased inflation.

The speech by the Governor, following on similar pronouncements last week by the Chancellor and other European leaders is a last-ditch effort to head off that choice. Few people are optimistic about the chances of success.

Just two weeks ago, the picture looked very different. Interest rates in Europe seemed set to fall following a meeting of the Group of Five finance ministers representing America, Britain, France, Germany and Japan over the weekend of January

16. Following those talks there was heavy intervention in the foreign exchange markets and cuts in interest rates in major European centres. Word got around that concerted action had been agreed on over that weekend to reduce interest rates around the world.

It is now clear that no such agreement was reached even in Europe. What happened was that the German authorities decided to try to push their interest rates down and some of the smaller countries in Europe used the leeway this gave them to move their own interest rates down.

The motives behind the German action were clear. They wanted to achieve two things at once. Cutting interest rates should help revive the flagging German economy at a time when unemployment (at more than 1.7 million) has become a major national issue.

At the same time they want to see the mark up against the dollar to reduce their inflation rate; they want above all to prevent a drop in the exchange rate pushing up German inflation.

For the Germans, like all Europeans, the ideal way for this to happen would be for the Americans to move. Since early last year Germany has been pressing the Americans to bring interest rates down. Just before Christmas it looked as if they had succeeded; interest rates in New York fell significantly, taking the pressure off Europe.

It has become clear in the past few weeks that this respite was temporary. To understand why this is so, it is vital to analyse the forces at work in the American economy, which still dominates all others.

American interest rates are set by the market's views about what is needed to

ensure that the Fed meets its target of keeping the chosen measure of money supply (M1) under control.

On paper, the American authorities set themselves a narrower target than do those in Britain; but in fact M-1, such as the inventiveness of the American banking system, includes lots of interest-earning accounts of the sort which only get counted in the wide definition (M-3) in Britain.

The result of this is that in

the short term attempts to control it through raising interest rates are as likely to suck money in as they are to choke off loan demand.

"The concern in Europe is that the rest of the world, not America, will suffer from the US interest rates mess."

Because of this, the Fed's efforts to bring down money supply by raising interest rates have met with little success. But it needs to increase the doses as a response to the failure of the treatment. The only internal American response to this dilemma would be for the Government to cut the budget deficit by raising taxes, something which President Reagan refused to do last week.

The American authorities are still saddled with a set of policies which result in two undesirable elements. The first is that in order to bring down monetary growth in the long term interest rates have to be very high. The second is that in the short term the

American money supply is bound to vary a lot. This is why the three American statements last week were so dangerously inconsistent.

Faced with this problem, the European nations have adopted a two-pronged approach. The governments are lecturing the American Government on the need to cut its deficit. This will ease the long-term pressure on money supply, though possibly at the cost of a renewed recession.

This is running right up against a stone wall from the American Administration. The Governor of the Bank of England has taken a different view. This is that it is the obsession with short term monetary control which is more to blame — a statement which provokes echoes of the Bank's views about Britain's monetarist experiment.

He is recommending a broad brush approach on the part of the American authorities to monetary control. But this runs slap into the extraordinary statement last week by the United States Treasury Secretary attacking the Fed's failure to keep short-term control of the money aggregates.

Where does this leave the Europeans? They want their currencies to remain stable but they also want to get their interest rates down at a time when world interest rates (set by the United States) are rising.

They believe that the United States is moving into current account deficit and some countries (notably Germany) are moving into surplus, thus giving hope of a weaker dollar next year. But they face a testing time in the next few months.

Their top target is to head off a new round of interest rises in Europe; the German

Bundesbank yesterday took the unusual step of telling the world that it would keep its interest rates unchanged this week, no doubt in an effort to forestall pressure for a new rise in interest rates.

What is completely lacking is any idea of what to do next. At the Ottawa economic summit in July last year, the Americans were given a blunt warning that they had until the end of 1981 to bring down interest rates which were, Helmut Schmidt said: "at their highest level since the birth of Christ."

None of the factors which

pushed them there have

improved since last July.

The fear which is beginning to dawn is that the whole system may be unstable. The argument goes like this. When a major country goes into large deficit on its payments, it is forced to take progressively tougher measures at home to right its economy. These take time to work and in the short term a devaluation of currencies makes the trade deficit bigger, because exporters receive less for their goods.

After time, the combination of measures produces overkill. Tight domestic policy at home and repeated devaluation produce a lurch into surplus. As that happens, the currency goes up in value and the surplus gets bigger.

On this theory the dollar is on one of its upward swings. This is forcing the Europeans to deflate and forcing down the value of their currencies.

That is bad enough but at some point soon, the swing could start to move the other way, with rising European currencies and a falling dollar, as people finally decide that America has not got its deficits and inflation under control.

So far, the countries of the West have stood apart from each other shouting: "Can't you see you are hurting me?" What has so far been lacking, and what seems not to be in sight, is an agreement that we are hurting ourselves and a notion of what can be done to stop that.

Business Editor

Banks ready to do their duty

When the banks were hit with the "windfall" profits tax in the last Budget, the Chancellor of the Exchequer was at pains to emphasize that this was a one-off tax while the banks for their part pointed out that 1980 profits represented a cyclical peak — an argument both for not levying the tax in the first place and for certainly not repeating it.

In the event, the banks to their embarrassment will soon be reporting even higher profits for 1981 — a total of £1,599m for the big four, according to stockbrokers W. Greenwell,

which would be a rise of nearly a tenth on the so-called peak. Furthermore Greenwell reckons that 1982 profits could be higher again at about £2,035m.

So far, there has been little indication that the Chancellor will levy another windfall tax, although most bankers are not prepared to discount the possibility entirely. But, perhaps conscious of the need to show they are playing their part, the banks seem to be showing a growing appreciation of the Glyn's proposals to reduce the interest burden on industry's loans.

The idea of this scheme, which could find its way into the Budget in some form, is that industry should receive immediate tax relief on the interest on loans of over five years, instead of having to wait to offset the interest against corporation tax.

This would be achieved by companies paying interest net of the corporation tax rate, effectively halving the interest burden on many industrial loans and thus giving a welcome boost to cash flow. The Glyn's committee argues that the Exchequer will not lose out because new investment and jobs will ultimately provide an offsetting increase in tax take. But someone has to bear the temporary cash flow burden and it is now being proposed that this should land on the banks.

Mr Robin Leigh-Pemberton, chairman of Nat West, is reported to have told the Conservative backbench industry committee recently that he thought this would be a reasonable burden. The banks, having provided tax relief to industry by accepting interest payments in net form, would then offset the "loss" against their corporation tax liability a year or 18 months later. It has been suggested that the banks would charge a premium on these loans to meet this cash flow cost, although there could well be cost savings for the banks in the scheme anyway.

For instance, it would most encourage industry to switch hardcore overdraft finance into term loans which would be much cheaper for the banks to administer. If the Glyn's proposals in some form are introduced, it would also have important implications for the bank's leasing business which would need to be considered. But in any case it would not be surprising to see the banks prepared to bear some of the cost of the scheme if only to forestall another windfall tax.

The cover price rise at the Daily Mirror last autumn and cost cutting at IPC magazines helped to mitigate the effects of a 25 per cent increase in newsprint, caused by the fall in sterling. Elsewhere in the group, last year's rationalization in the wall-covering and paper divisions have helped to bring them back into profit, while building products held steady despite the recession.

Yet the market was disappointed at a nine-month out-turn of £55.7m pre-tax against £42.1m. Forecasts for the full year to next month have been downgraded from £80m to £73m or £75m pre-tax.

Much depends on the outcome of the talks at Odhams. If there is to be a closure at Walsall, then redundancy costs in the final quarter could total £5m. Quarterly profits this year have been erratic with the first producing £23.1m, the second £14.9m and the third £17.7m. It is asking a lot for Reed to make over £20m in the final quarter when demand is still low.

At the third-quarter stage, sales rose from £1,000m to £1,244, with £944m accruing from the United Kingdom and exports. Yet overseas activities accounted £28.8m of total trading profits due partly to the decline of the Canadian dollar against the United States currency, which is magnified by translation into sterling.

Reed shares have enjoyed a good run-up over the past six months but fell back 4p to 274p yesterday.

But if that seems to provide a timely moment

Shaping up for the jobs raceAT WORK:
THE IMAGE-MAKERS

By Margarette Pagano

The casual uncared-for image is out, the formal look is in — that is if you are looking for work.

As more people are competing in the jobs market and face redundancy there is a discernible swing to the importance of the neat, the outwardly capable and professional image.

First Impressions is open to people of any age but is geared mainly to school leavers for either pupils leaving at 16 or those in the sixth form.

But a diverse mixture of other groups have found their way to the academy, from members of the National Federation of Young Farmers Clubs, Suffolk County Council to the London borough of Waltham Forest and British Airways.

It is now even more crucial than ever for school leavers to give an extremely good impression of themselves in this highly competitive market. We are still conservative enough in banking to want men in two-piece suits, girls in skirts and dresses and overall good appearance," he says.

Mr B Icher says he always stresses to the employer the importance of first impressions when talking to school leavers. "Many students ask whether it isn't hypocritical to dress just for the interview. I tell them that once they get a job, they can adapt."

But getting the job is the key. Already this year Barclays believes it has just about filled its own intake.

Last year it employed only 1,700 school leavers out of 68,000 applications nationally. In 1979 they took 8,000 out of 48,000 and in the 1970s averaged 10,000 staff annually — largely due also to greater turnover of employees.

The picture elsewhere is hardly any brighter.

Mrs Cheryl Hughes, principal of the London Academy of Modelling, is one who makes it her business to show the students entering the academy's polished corridors why grooming, poise and confidence are essential for success in interviews.

Dr Basil Bard, chairman of the New Product Management Group, a former managing director of the National Research & Development Corporation, has been appointed a director of The Technology and Innovation Exchange (TIE) with special responsibility for licensing.

NEW APPOINTMENTS

Mr Cecil J. Baker and Mr Michael I. Gee have been appointed directors of United Real Property Trust.

Mr Erwin Bielinski, head of Brown Boveri International, has been appointed chairman of Brown Boveri Kent (Holdings).

Mr C. P. Nichols, chairman and managing director of George Nichols (plastering), has been elected president of the National Federation of Plastering Contractors for 1982/83. The new senior vice-president is Mr K. G. Simon, Tilling Plasterers, who is managing director of the HAT Group's plastering division. The junior vice-president is Mr V. M. Hall, senior partner of Hall and Mann.

Dr Basil Bard, chairman of the New Product Management Group, a former managing director of the National Research & Development Corporation, has been appointed a director of The Technology and Innovation Exchange (TIE) with special responsibility for licensing.

The academy has run the course for girls since last April with a minimum of 50 students per day — at £3.50 cost to each person — every day of the week. Mrs Hughes

— who came to the academy last February after selling her own modelling business in Australia because she was bored — described the venture as a considerable success.

By sending out their brochures to each school or college in the land, she finds the word has soon spread. An open day is held for representatives such as teachers who then report back to the schools on whether they find the course useful.

Feedback from the girls course has been such that Mrs Hughes is now running a similar one for boys. An open day was held last week and the first course is booked for February 16. One

of the girls from the course is booked for February 16. One

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Football

Liverpool rebuilding means the demolition of Ipswich

By Norman Fox

Ipswich 0 Liverpool 2

Suddently, this could be a very good year for Liverpool and another of frustration for the First Division favourites. Ipswich Town, Liverpool's totally convincing victory in the Football League Cup semi-final first leg at Portman Road must now be a tribute to their resilience and rapid rebuilding.

In a three-minute period immediately after the first, they overcame what Ipswich's thoughts of reaching the final. They had lost from home since being beaten 3-0 on this same ground on September 12. Last night they were in no danger of repeating that error, and Ipswich finished with further worries over a weakened defence.

Possibly without Osman, who had eight stitches in a knee which troubled the game and certainly won't be back, Ipswich must now visit Liverpool twice in the coming week with their confidence in retreat. Their feature will be Anfield on Saturday evening—the most significant of their season.

Liverpool were on the crest of a revival; Ipswich were trying not to believe that another season could be marred by injuries, not finding a deeply soulful sobering home defeat by Newcastle last Saturday. Neither was this a time to dwell on football's ills which seemed far away as a packed house warmed to a powerful tune which quickly fulfilled its potential.

Stevens, replacing the injured Butcher in the centre of the Ipswich defence, had the heavy responsibility of keeping the skilful Liverpool from partnership in check and it was his afternoon

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its potential.

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The often exhilarating tide of

one-sided football which has

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Supporters must regard the first

division as something of a mountain,

so regularly are they to be

found in the foothills. But those

who have learnt the art of survival

the hard way, rugged determination

Villa's foundations shake

Aston Villa 1 Sunderland 0

Aston Villa, having briefly raised Midlands football above the mediocre last season by winning the League championship, find themselves struggling with the rest at the wrong end of the first division table.

The often exhilarating tide of one-sided football which has swept them to the side seems to have turned, leaving them stranded with the no-hoppers. The main reason for such a dramatic decline may lie in the fact that opposing teams have come to terms with their style.

Supporters must regard the first division as something of a mountain, so regularly are they to be found in the foothills. But those

who have learnt the art of survival the hard way, rugged determination

often compensating for lack of ability.

Their cause was hardly helped

when the promising young Pickering was taken off on a stretcher with a leg injury after a bloodbowl encounter in the penalty area with Rimmer.

Fortunately for those who patronize the North London club, Aston Villa score two goals which also represents their highest total at home. Unfortunately for those responsible for the club's finances, the game was watched by only 15,163, the lowest crowd since Wolves were last at Villa Park for a midweek afternoon game during the miners' strike in 1974.

Sad also must have been Ian Greaves who, having tendered his resignation as Oxford United's manager earlier in the day, watched the game from the directors' box.

Mr Greaves had seen Wolves

lose dangerously for most of the first half. Rix squandering

Aston Villa 1 J Rimmer: K Swain, G Ormsby, D Mortimer, A Bell, G Geddis, P Wilho, G Cowans. G Sunderland: B Siddall, D Venables, J Clark, S Cook, N Pickering, A Brown. Referee: B Martin (Nottingham).

The two most cultured left foot

Rotherham overcome great odds

Rotherham United's new signing, Gerry Gow, was sent off after two minutes of their second division match against Derby County at Millmoor last night, but the visitors were going down at half-time and missed a penalty they eventually won 2-1. Gow was dismissed for a foul on Emery after being booked second earlier for a similar infringement against Powell. Emery was taken to hospital with a suspected broken leg.

Derry, one of the more dangerous, out-and-out strikers, scored with a near goal just after 39 minutes. Banovic saved Moore's penalty kick after the interval but he could only stand and watch when the substitute, Richards, turned it shot by Goodwin into his own net. The goal, however, did not give him the lead he craved, who are struggling near the bottom of the table, fresh heart and Moore made up for his earlier miss by heading home the winner 15 minutes from time.

Barnsley kept up their challenge for promotion by winning 3-0 at Shrewsbury with a second-half goal from Walker and Banks.

Chesterfield, who won 3-1 against Doncaster Rovers, went back to the top of the third division. Bennison, Henderson and an away goal from Hartson gave Chesterfield a comfortable lead and Doncaster could only reply two minutes from time through Snodin. Carlisle maintained their push for promotion with a 1-0 win at home to Preston with a 1-0 win at home to Preston.

Last night's football

League Cup

Semi-final, first leg

Liverpool 1-0 Rotherham

0-0

Banks

0-0

Hartson

0-0

Gow

0-0

Walker

0-0

Snodin

0-0

Carlisle

0-0

Henderson

0-0

Bennison

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Skiing

Miss Hess is a little girl far from lost in the giant slalom

From Dudley Doust
Schladming, Austria, Feb 2

The brass band got it right this time. They played God Save the Queen at the awards ceremony a couple of days ago when Erika Hess, a Swiss, won the women's combined gold medal at the Alpine world championships but, suitably scolded, they took out the Swiss anthem today when the same little girl won the women's giant slalom.

Miss Hess, 19, is eight-stone, five feet four inches tall and petite. "The difference between her and most other girl skiers," said Marie Teresa Nadig, a former Olympic downhill and giant slalom gold medallist from Switzerland, "is that she skis with elegance." By this Miss Nadig means her competitor skis lightly and effortlessly, lifting and swinging with rhythm, rather than edging and attacking by turns.

Miss Hess was in a happy frame of mind by race time. She already had won one gold, she said, and nerves were calm. Further, the course was unusually crisp and clear and minus 11C, with the snow squeaky underfoot — and all the course was to her liking. It was steep and fast, with many of the 53 gates set in tight, challenging sequences. It was a little nearer to a slalom than the customary, more open slalom tracks she sees on the circuit.

She was confident. So was her fan club, stationed part way up the mountain with their cowbells, drums, horns, national flags and a banner from her home town. So was Miss Nadig, at the finish line. "All Erika has to worry about," she said, laughing and chatting in front of the television cameras, "are the journalists after the race."

Miss Hess knew her first run target when the American Tamara McKinney finished in 1:21.50 secs. The Swiss girl, gaining grace as she went, re-established the target of 1:20.33, a substantial lead which was to be challenged only by her cousin and compatriot, Monika Hess, who slipped into second place with 1:20.77.

With the second run still an hour away, the Hess family went to lunch, marching easily through town with banners flapping high. The Hess girls sat calmly at the bottom of the mountain, joking with their coaches and watching the second course being set. It had a similar look to it, with 47 gates.

Her view of the second run was just as it had been before the second slalom run on Sunday in the cold, wet event. "I'm not too good in the first run," she said later, "so I decided not to take too many risks in the second."

She was last to go, preceded by her cousin, who went off the course near the intermediary start.

Miss Hess's noisy fan club could have had no notion of how well she was doing, for their din obscured all reports over the

Faces to follow: three swimmers in the wake of exalted but erstwhile Olympians

Out to show world a clean pair of soles



Will they have us goggle-eyed in wonder? Miss Brownsdon, Moorhouse and Miss Croft.



The year immediately after an Olympic Games is always difficult for competitive swimmers. The unique lure of Olympic fame has usually resulted in a host of record-breaking performances and in their wake many retirements among the established stars. Having given them all for the medals of Baron de Coubertin, they find the prospect of another four years of monastic dedication unpalatable.

British suffered more in this respect last year than most other countries. Duncan Goodwin, our Olympic gold medal winner over the breaststroke, Sharron Davies, the silver medal winner in the individual medley, and Margaret Kelly, who has been in the forefront of international breaststrokers for five years, all decided to opt out after serving two highly commendable terms on Olympic duty.

"They've got one of the best coaches in the world, Eric Sturm, who coached champion Austrian girls. They've got facilities. They haven't shown me, however, is heart, commitment, progress and hard work. For example, the British team has been: 'We're in the jolly good show, we're in the team.' The fire faded visibly through Clyde's sunglasses. 'I can tell you, there are lots of other kids who are waiting to get to the team.'

He intimated that the girls would be sent home (all live in Scotland) after the championships.

RESULTS: 1. E. Hess (Gstaad), 2. U. Hess (Gstaad), 3. U. Kretschmar (Gstaad), 4. P. Werner (Lech), 5. S. Davies (Gstaad), 6. M. Kelly (Gstaad), 7. S. Goodwin (Weymouth), 8. C. Moorhouse (Weymouth), 9. M. Croft (Weymouth), 10. R. Moore (Weymouth), 11. J. G. Brown (Weymouth), 12. S. Davies (Weymouth), 13. S. Davies (Weymouth), 14. S. Davies (Weymouth), 15. S. Davies (Weymouth), 16. S. Davies (Weymouth), 17. S. Davies (Weymouth), 18. S. Davies (Weymouth), 19. S. Davies (Weymouth), 20. S. Davies (Weymouth), 21. S. Davies (Weymouth), 22. S. Davies (Weymouth), 23. S. Davies (Weymouth), 24. S. Davies (Weymouth), 25. S. Davies (Weymouth), 26. S. Davies (Weymouth), 27. S. Davies (Weymouth), 28. S. Davies (Weymouth), 29. S. Davies (Weymouth), 30. S. Davies (Weymouth), 31. S. Davies (Weymouth), 32. S. Davies (Weymouth), 33. S. Davies (Weymouth), 34. S. Davies (Weymouth), 35. S. Davies (Weymouth), 36. S. Davies (Weymouth), 37. S. Davies (Weymouth), 38. S. Davies (Weymouth), 39. S. 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In Wimpey's case, the your house at the market price limit is £25,000, mortgage rate and the money goes up to a certain price. Mortgages are available subsidies mortgages at 10 per cent for a year, as case where you have interest-free loans up to 95 per cent

of the purchase price and

£500 in cash.

Builders offering part exchange include Wimpey, Wimpey and Barratt also

reduce the mortgage rate to 7.5 per cent.

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Iran frees Briton from prison after 17 months

By Our Foreign Staff

Mr Andrew Pyke, the British businessman who has been held in an Iranian prison without trial for the past 17 months, has been released, the Foreign Office announced yesterday.

A Foreign Office spokesman in London said that Mr Pyke, aged 42, was handed to Swedish diplomats who represented British interests in Tehran on Thursday and would return home in the next few days.

"We are just waiting for the formalities to be completed, then he can leave," the spokesman said.

A British diplomat contacted by telephone in the Swedish Embassy in Tehran said that Mr Pyke was in good shape when he left prison and had spoken to his wife in Holland and his father in Britain on several occasions since his release.

He was spending his time reading some of the 10,000 Christmas cards sent by well-wishers in Britain and walking round the embassy compound just enjoying life.

"You can imagine how he felt when he was released," the diplomat, Mr Nicholas Barrington, head of the British interests section in the Swedish Embassy, said. "His reaction was one of tremendous delight." Mr Barrington said that he had since October 26 accused of currency irregularities.

Army drives away Israelis blocking Sinai withdrawal

From Moshe Brilliant, Tel Aviv, Feb 2

Israeli defence forces today for the first time forcibly removed Jewish militants who had camped since Sunday near Kuseima in the desert and prevented workers from dismantling a water pipeline. The militants were sent by bus to Beersheba while the workers continued to dig up pipes under Army protection.

The use of force seemed to represent a policy shift since Mr. Shavit, the Defence Minister, had refused to sanction it when militants in the Yamit area prevented the salvage of infrastructure from a cluster of settlements near the coast.

Beersheba, Feb 1.

Heikal interview, page 5



Double take: Princess Michael of Kent joins Sachiko Komatsu, aged 2, in admiring a portrait of the young Japanese girl by Joyce Wyatt at the opening of the 121st exhibition of the Society of Women Artists at the Mall Galleries, London, yesterday.

Commons leader goes on radio to defend speech

Continued from page 1

bridge last Friday, in which he did indeed appear to be attempting to dampen any expectations of significant reform.

Mr Pym commented: "The Chancellor would be the first to say that the task ahead of us is very formidable indeed. He knows that perfectly well."

Showing no inclination to soften the line taken in his speech, Mr Pym said: "We have to understand, as a nation, what a formidable task lies ahead. That does not in any way mean that we do not have to take account in any assessment we make of the good news because a lot is going well for us. Equally, it is helpful for people to realize what a formidable job we have in the next few years."

Mr Geoffrey Howe, the commissary, had said: "The recovery would be slow and gradual and would begin at a time when unemployment was still rising." Therefore, it is very important for people's expectations not to be so high that they are only disappointed by disappointment.

The pipeline from Israel used to serve military bases in Sinai. The pipes are being laid in the Negev to supply the new bases being built there.

Lord Carrington's official visit to Israel, the first by a Foreign Office minister during Mrs Thatcher's Government, was still rising. "Therefore, it is very important for people's expectations not to be so high that they are only disappointed by disappointment.

After the defeat, the minis-

I do not want people to think that there is a quick and easy answer. We said at the last election that it would take a long time—it would take two Parliaments."

"If one is not careful one can give the impression that due to the rise which is now coming, albeit slowly, suddenly everything will fall into place and everything will be fine. Yes, it will in the end but it will take time and we will have to build gradually."

Mr Pym stressed during the radio interview his belief that the Government would be more likely to win the next election if it avoided soft options and the temptation to go for quick reform to gain popularity.

The British people have a very realistic view of their politicians and the world in which they live.

In the Commons, Mrs Thatcher dealt lightly with Mr Pym's attempts to embarrass her over Mr Pym's remarks. Quoting selectively from it she said that Mr Pym had made an excellent speech. She convinced few of her hearers that she meant it.

After the defeat, the minis-

Minister criticizes Tory rebels over lost £65m

Continued from page 1

additional tax of £50m from the corporate sector."

Mr Jeffery Rooker, Labour MP for Birmingham, Perry Barr, said: "This is the biggest backbench revolt on a money measure since this Government took office. I am pretty certain that they will try to reverse it when the Bill goes back to the House for report stage."

Mr Hugh Rossi, Minister for Social Security, had argued that the amendment was a breach of the principle that employees and employers should be treated in like manner.

He also said that the financial consequences of the amendment were too heavy to be acceptable. But his argument against the amendment was that it would impose a heavy administrative burden on employers involving additional calculations, additional record-keeping, additional visits by inspectors, and the possibility of doubt being cast over some employees' entitlement to benefits.

Conservatives on the committee were clearly not convinced that small business would suffer. Mr Shepherd pointed out more than once that his amendment had the support of the Small Business Bureau, which is located in Conservative Party headquarters at Smith Square, and the Federation of Self-Employed and Small Businesses.

Parliamentary report, page 4
Pym's game, page 8

ter said: "The financial effect of the amendment is to reduce the amount of money going into the National Insurance Fund by £50m, of which the greatest beneficiaries will be the larger companies who, on our calculations, stand to gain a windfall of £50m."

"What I will plan to do now is to see if there is a way of meeting the will of the committee without imposing additional administrative burdens, and helping the small businesses in particular, without denying the fund such a loss which goes to the larger companies."

Conservatives on the committee were clearly not convinced that small business would suffer. Mr Shepherd pointed out more than once that his amendment had the support of the Small Business Bureau, which is located in Conservative Party headquarters at Smith Square, and the Federation of Self-Employed and Small Businesses.

Furthermore, this would be the situation "for some time to come". Also, unemployment would not soon drop from three million.

The Leader of the House turned up on the Government front bench yesterday as if nothing much had happened.

He sat in on questions to the employment ministers, Mr Eric Varley, the shadow Secretary of Employment.

Frank Johnson in the Commons

Minister for the Good News fluffs his brief

Mrs Margaret Thatcher went out of her way at Prime Minister's Question Time to give the smitten public approval to a controversial speech made the previous evening by Mr Francis Pym, the Leader of the Commons. Mr Pym, then, is in the most serious trouble with the Prime Minister.

The much was obvious as, challenged by Mr Michael Foot to comment on Mr Pym's "remarkable speech", she plunged on and on about how Mr Pym's views were in no way dissimilar to her own. Seated only two places from her on the front bench, the Leader of the House nodded away in agreement, we shall assume, rather than in his sleep. The latest Cabinet split was plain for all to see.

Where was it? As yet, a footnoted Foot rose. What was that speech then about?

"I am delighted," responded the Prime Minister, as if reading from a prepared text. "I thought Right Hon Friend made an excellent speech last night. I would like to quote him (lengthy selective quotation from routine government passages inserted into the speech) ..."

As well as being Leader of the House, Mr Pym is something called "Minister with responsibility for the co-ordination of government information". That means he is Minister of Propaganda, the job held under various governments over the years by, among others, Mr William Denslow, Sir Antes Maude and Dr Josef Goebbels. Another way of describing his function is that Mr Pym is Minister for the Good News. He is always issuing other ministers with pieces of good news to put in their speeches.

By now, the Labour benches were mightily unimpressive.

"Read the other side," said similar rough critics. Mrs Thatcher redoubled her reading of the more arid parts of his manifesto in her speech.

"It's so good I might have written it myself," she concluded and sat down.

The message of his speech to the brewers, storm of its essentials and routine qualifications, was that there was no hope. This is contrary to government policy; the Government line on bone is that there is still a lot of it about.

In the short run, living standards would fall, Mr Pym had said. "Just to hold on to something like our present living standards would be a bit of a struggle."

Furthermore, this would be the situation "for some time to come". Also, unemployment would not soon drop from three million.

The Leader of the House was not the only one to notice the way things had changed yesterday as if nothing much had happened.

He sat in on questions to the employment ministers, Mr Eric Varley, the shadow Secretary of Employment.

Asked Mr Norman Tebbit, the minister, if he agreed with what Mr Pym had said, Mr Tebbit said he did. Mr Pym nodded. The split was clear.

The Prime Minister arrived. Mr Foot, unfeignedly pressed with press calls concerning Mr Pym's speech (The romantically disengaged, shabby, former tankie), Mr Pym had said.

Two years ago, a civilian weathered a political storm which did not seem to have a huge effect on the role in Africa.

Judging by what was wise in country up to that point, the constitution of the republic was in question.

"I am delighted," responded the Prime Minister, as if reading from a prepared text. "I thought Right Hon Friend made an excellent speech last night. I would like to quote him (lengthy selective quotation from routine government passages inserted into the speech) ..."

Two years ago, a civilian weathered a political storm which did not seem to have a huge effect on the role in Africa.

Nothing but the nation, by the way, gave birth to local politics, reduces the political power of the country which remains a mystery.

Nigeria's president who represents its population of 100 million, far Africa's most populous, large African nation.

President who represents Nigeria's government emerged as a country's leader, Sir A. Balewa, an army general, served as a General.

He has been practising "business" but making a difference, powers we have achieved.

Significant nor of state opposition personal federal leadership ended with

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Focus on NIGERIA

Oil has made Nigeria the richest nation in Africa in terms of gnp, but it also has the largest number of mouths to feed. Godfrey Morrison takes stock of the Federal Government's record since the return to civilian rule in 1979

TWO YEARS after the return to civilian rule Nigeria has weathered political and economic difficulties in a way which shows that most Nigerians are determined to keep this huge country united and assume its natural leadership role in Africa.

Judging from results so far it is clear that the military were wise to break the country up into 19 states and that the framers of the constitution of the second republic were wise to adopt an American-style constitution which separates the powers of the executive, the legislature and the judiciary.

Westminster-style parliamentary government, introduced by the British at independence in 1960, lasted a mere six years, to be followed by military rule and a bloody civil war.

Nothing is certain in politics but the present constitution, by diffusing power both at the centre and outwards to the states, at least gives greater scope for local political ambition and reduces the inevitability of political confrontation in a country where ethnic loyalty remains a potent force in politics.

Nigeria's importance is not simply its oil wealth but its population size. Its ninety-million people make it by far Africa's largest country, most of its 19 states are as large as a medium-sized African nation.

President Shehu Shagari, who represents a link both with Nigeria's first civilian government because he first emerged as a protégé of the country's first Prime Minister, Sir Abubakar Tafawa Balewa, and with the period of military rule because he served as a commissioner in General Gowon's government, has emerged with enhanced stature after two years as his country's leader.

He has been criticized for practising "minimum government" but he has succeeded in making the new constitution, whose separated powers were alien to Nigeria's political tradition, work in a way that a more impatient man would not have achieved.

Significantly, even governors of states ruled by the opposition parties express personal esteem for the federal leader, and 1981 ended with a major political

victory when the federal legislature finally passed a revenue allocation Bill setting the way the country's massive income — mainly from oil — should be divided between the Federal Government, the states and local government authorities.

President Shagari has ruled with certain advantages. In the first, Nigerians were tired of 13 years of military rule and were predisposed to give the new civilian government a fair wind so as not to present the military with an easy excuse to re-emerge from their barracks.

Second, in the elections which preceded the return of the civilians his National Party of Nigeria (NPN) emerged with by far the strongest claim to real national appeal, having won a respectable number of votes in all parts of the federation.

Initially his administration had an agreement with the Nigerian Peoples Party (NPP), led by Dr Nnamdi Azikiwe, Nigeria's first president, which gave his government support in the bi-cameral federal legislature — in exchange for a number of appointments in the Government.

At mid-year this agreement fell apart but the effects have not been really serious since the administration has shown it can still get vital legislation passed and some of the former NPP members in the Government, notably the Foreign Minister, Professor Ishaya Audu, have remained in the Government.

More influence abroad

Internationally Nigeria, a legitimate civilian government, inevitably carries more influence than when ruled by the military. At the Commonwealth Conference in Melbourne President Shagari was Africa's natural spokesman on Namibia.

At the international economic summit at Cancún he chose to speak on agriculture, a key priority of his Government's domestic policy, and Africa's biggest economic disaster area: its ever decreasing ability to feed itself despite plentiful cultivable land.

Nearer to home, Nigeria has shown particular concern

FOREIGN AFFAIRS

Africa's leader and a growing force on the world stage

Nigeria emerged slowly onto the world scene but it is now vigorously striving to fulfil a role that measures up to its wealth and position as the most populous African state.

Independence came in 1960, three years after Ghana, at a time when Kwame Nkrumah was listened to as the voice of Africa, to the resentment of many Nigerians. The first Prime Minister, Alhaji Sir Abubakar Tafawa Balewa, was a cautious man who on a famous occasion replied to Nkrumah's talk of internationalism by saying: "Let us put our own houses in order."

Then in 1966 came the spasms of two military coups followed by the agony of the long civil war. This brought an unwelcome prominence in world affairs and had a lasting effect on foreign relations.

The Soviet Union gained instant popularity by supplying without hesitation support and arms. The British Government was thought to be lukewarm, though correct, and this, combined with the huge and vocal pro-Biafra lobby, caused ill will that lasted for years. America similarly lost favour. In Africa, Ivory Coast, Gabon, Zambia and Tanzania all recognized the rebel régime, which punched a hole in Nigeria's Africa policy.

General Gowon, the great reconciler after the war, also worked hard on the international scene, travelling to Moscow, Peking, Canada and the Caribbean, and a brilliantly healing state visit to Britain in 1973. He also played a crucial role in the creation in May, 1975, of the Economic Community of West African States, which has proved the most successful grouping in Africa and remains a major factor in Nigerian foreign policy.

General Murtala Mohammed, from July, 1975, and General Olusegun Obasanjo, from February, 1976, continued to make Nigeria more of a force in the world. The most effective example of Nigerian pressure came in Angola when Portugal was getting out after the Lisbon coup of 1974. Much of the

rest of Africa, and notably America, was backing a proposal for a coalition administration drawn from the three main contending parties. Nigeria (once General Gowon was off the scene) came out in favour of recognizing the MPLA as the sole legitimate government. The rest of Africa gradually followed suit.

The Nigerian military rulers also played a part in helping to bring Zimbabwe to independence, though how great a role is a matter of controversy.

The big gesture came on the heels of the Commonwealth Heads of State conference in Lusaka in August, 1979, when Nigeria suddenly sequestered British Petroleum's assets. This was meant as a warning shot across the Conservative Party's bows. Whether this was necessary or effective is debatable. It was certainly a claim to the leadership of Africa.

Since the civilians returned to power in October, 1979, President Shagari has been pressing that claim with increasing credibility. When Dr Chester Crocker, the United States Assistant Secretary of State for Africa, was travelling around drumming up support for the new Namibia proposals, one of his most important stops was at Lagos.

The ending of apartheid in South Africa has always been a main aim of Nigeria.

President Shagari, the most gentle and diplomatic of men, found it necessary to raise at a Buckingham Palace banquet the displeasure Africans felt over the continuing British investment, trade and other links with South Africa. Similarly, in a speech to the Foreign Policy Association in New York in October last year, President Shagari said: "We in Nigeria feel that the history of your country places on the Government and people of the United States a great responsibility to use your powerful international economic and financial position to discourage and, eventually, destroy apartheid in South Africa."

The Western Sahara problem has also engaged much Nigerian attention, again with more frustration than success. Relations with its neighbour Cameroon deteriorated sharply this year

when several Nigerian soldiers were killed in a border incident and President Ahidjo was slow about making adequate apologies or reparation.

President Shagari was under great pressure, particularly from the military, to take retaliatory action, but he resisted this. The OAU was little help and the president in protest stayed away from the OAU summit in Nairobi.

This was a most surprising decision as Nigeria has always played a key role in all OAU activities. Many diplomats and observers in Nairobi speculated that the President must have some pressing domestic reason for staying away, but this has always been denied by the Nigerians. In the event the president's restraint paid off and Cameroon promised proper investigation, apology and reparation.

Nigeria made its displeasure known to Ghana after the Rawlings coup in 1979 and the subsequent execution of former heads of state; oil supplies were cut off, officially because of a technical fault.

Similarly, after the Master-Sergeant Doe coup in Liberia, the Nigerians signified their disapproval by refusing to allow the Master-Sergeant to land at Lagos to attend an OAU meeting.

There is much talk of "using the oil weapon", but it would be suicidal (particularly in times of an oil glut) to interfere for political reasons with a major customer like the United States.

Recent analysis published in Lagos has shown that Nigerians are well aware that having wealth and a large army does not, of itself, make one an effective power in foreign affairs: wielding a big stick can be counter-productive.

Fortunately, the country has in Professor Audu a former academic who brings great subtlety of mind to the position of Minister of Foreign Affairs and a President who is a natural diplomat and who takes a close and informed interest in foreign matters.

Kenneth Mackenzie



A group of traditional rulers in obvious good humour leave a meeting with President Alhaji Shehu Shagari in Lagos. Although they have lost their constitutional powers, they are still consulted and continue to play an important part in Nigeria's complex political and social life.

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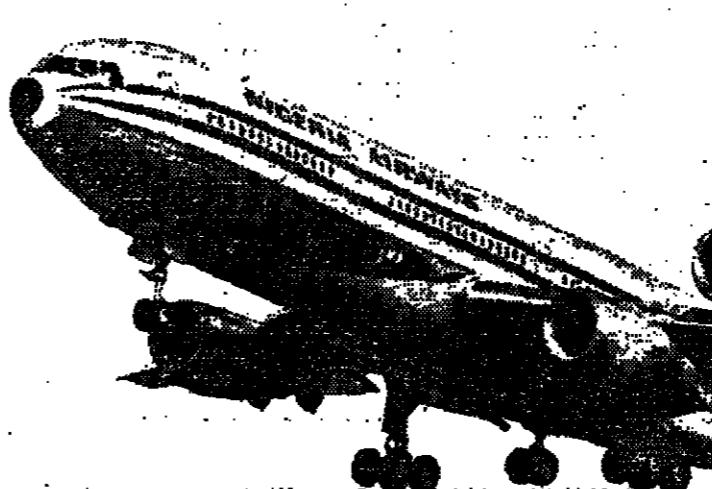
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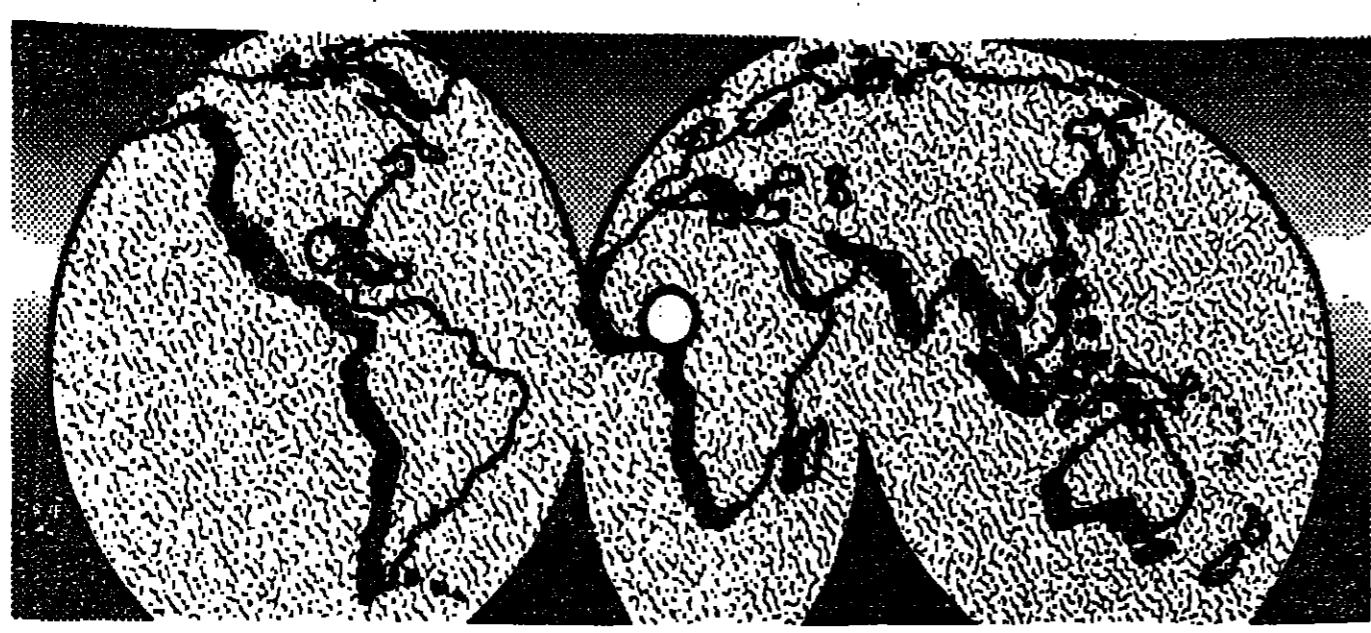
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Under the 1979 constitution the 19 state governments have wide-ranging functions. David Williams discusses their relationship to the Federal Government in Lagos and Karan Thapar explains the tribal divisions that still threaten national unity.

State versus nation

Only seven of the elected Governors, the "chief executives" of Nigeria's 19 states belong to President Shehu Shagari's party, the NPN. In these seven the NPN also controls a majority in the legislatures; it also controls the legislature in an eighth state, Kaduna, although there the Governor belongs to the PRP. The remaining eleven governorships, with the state assembly majorities, are divided between the other four registered parties, all of which are, to some degree hostile to the NPN. The UPN has five states, NPP three, GNPP two, and PRP one.

Under the 1979 civilian constitution the state governments have extensive functions. They are responsible, for example, for primary education and share responsibility with the Federal Government for other aspects of education. They are responsible for health services, agricultural extension work, and roads, except federal trunk roads.

They plan scientific research. And while the Federal Government is responsible for major economic development and for direct economic relations with foreign governments or international bodies, a state government can undertake economic development of any kind, except mining, within its boundaries, make contracts with foreign firms and, under federal sponsorship, seek foreign loans or assistance. State governments are also responsible for supervision of local government within their areas, and for matters concerning chieftaincy, still a potent influence in Nigeria.

The President, although Chief Executive of the Federation, has no formal control over the governors. He is, however, responsible for the Nigerian police, who constitute a single force throughout the federation, and for the maintenance of public order, although state governments are given subordinate authority in this.

He is responsible, too, for the operational use of the armed forces. The President can also under most exceptional and restricted circumstances, declare, in any part of the federation, a state of emergency under which the National Assembly could supersede a state house of assembly and the President exercise executive authority in a state. A governor is also subject to the same legal restraints under the constitution as is the President — and to public "media" criticism — in other states if not his own. One governor and

another group is held to federally-collected revenue is dominate the state, for divided between the federal politicians of all parties, however, the creation of new states has great attractions, a new source of political discord. For each, regardless of size, new states a much bigger share of this revenue (45 per cent), to five seats in the Senate, including the allocation to and to a federal ministry. Each would have a government commissioners' (numerous state boards) representation in various federal organisations, apart from any funds. Federal Government would feel obliged to provide, albeit long to the administration, each entitled by law to its share of federally-collected funds allocated to states, which we have said, already constitute the main source of its finance.

The constitution, which complicated provisions about the procedure for creating new states are not entirely clear, offers no criteria which the areas concerned must meet to qualify as states.

Evidently concerned that the politicians impose a check on the new states demands an unavoidable vote might proliferate — and in concert they can, whether he likes it or not, operate the constitution's provisions to create new states. President Shehu Shagari has invited the parties to produce a realistic programme for state creation. How many new states he has in mind is not known; but everybody agrees that a small number, perhaps five, are, if not necessary, inevitable. The parties, including the NPP, however, are reluctant at this stage to commit themselves to a limit. The issue may complicate the 1983 general election. Its resolution also depends on the National Assembly's assent to the Electoral Bill now before it.

Further division of the existing states would make the Federal Government, in theory, even more powerful than it is, by increasing the number of its clients. But if it meant that an increasing proportion of a national revenue which has recently declined is spent on administration, without a corresponding stimulus to productive economic activity, while the constituent units of the federation became even less competent than they are now to discharge their functions, the federation as a whole would be gravely weakened.

The author was editor of West Africa 1949-78.

Old divisions that die hard

The persisting threat to Nigerian unity is the seemingly ineradicable tribalism that underlies every political, social and often economic development. With more than 200 tribes and at least 100 different languages, with almost institutionalised distrust between the three main regional population groups, the Hausas, Iboos and Yorubas, and with irresponsible politicians only too happy to exploit ethnic divisions, the conscious need to create one nation remains the single most important priority of the new civilian government.

Though the fall of Biafra marked the end of the Nigerian Civil War 12 years ago, the issues fought then did not perish on the battlefield. The tribal distrust, the absence of political consensus and the many social divisions have survived. These basic Nigerian divisions, stilled for nine years under the post-war military dictatorship, are today emerging through the widening cracks that have begun to scar the two-year-old democracy.

These issues were most poignantly raked up in 1981 by a controversy over remarks by Malam Adamu Ciroma, the Minister of Industries. In a public speech, the Minister, a Northern Hausa Muslim, accused the Opposition Governor of Borno State of betraying the people's trust by employing non-Borno people in sensitive judicial and Cabinet posts. Referring to the Borno State Chief Justice, the chief Secretary and the Attorney General, the Minister called them "strangers" and "foreigners". The point is that they are Western Yorubas.

The incident grew out of all proportion. For the Yoruba-based Unity Party, it was conclusive proof of its favourite allegation of a self-perpetuating northern cabal controlling the country to the exclusion of all other tribal groups.

The Unity Party leader, Chief Obafemi Awolowo, has publicly and repeatedly accused the last military head of state, General Olusegun Obasanjo, of carefully contriving to hand over power to the largely northern-based National Party. He has even called on the Chief Justice of Nigeria to resign because he dismissed the chief's suit against the presidential election verdict. Although both General Obasanjo and Chief Justice Fatayi-Williams are Yoruba, they are treated by the Unity Party as traitors.

Although before the year's end the issue was decided, it was not before it had been

taken in vengeful litigation right up to the Supreme Court which invalidated the first revenue Act and the process clearly exposed the fundamental lack of national political consensus which exists like a vacuum at the heart of Nigerian politics.

The various estimated 61 separate demands for new states is having a similarly divisive effect. The creation of 12 states in 1967 from the northern, western and eastern regions went a long way towards diminishing the regional solidarity that had come to threaten national unity in the tens of days of the first republic (1960-66).

Historically, the seeds of trouble can be traced back to the moment in 1914 when a colony called Nigeria was created by the British. Sir Hugh Clifford, Governor of Nigeria in the 1920s, described the country as "a collection of independent native states, separated from one another... by great distances, by differences of history and tradition, and by ethnological, racial, tribal, political, social and religious barriers."

Almost inevitably, therefore, there lies at the centre of Nigerian politics today the problem of power sharing between its three main tribal groups — the very problem that led to the 1967-70 civil war.

Then the northern Muslim Hausas, who came to power at independence when a northern based and northern dominated party formed the first free government, made the Yorubas and the Iboos, the most enterprising and educated of the tribal groups, feel cheated and suspicious of a conspiracy in the northern domination of the country.

The irony is that whereas the strict impartiality of military dictatorship held the country united under its grip, the democratic tolerance and leniency of civilian rule could threaten the very fabric of nationhood.

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A full shift, and a happy one, on the building site of the Aladja power station near Warri.

Nigeria's economy, which only six months ago looked in trouble, is now in good health and set to resume the steady growth which has made it the envy of the rest of Africa over the past decade

Oil prosperity has its drawbacks

Nigeria's main economic problem is that, like so many developing countries, its economic prospects depend on just one crop or commodity, in Nigeria's case: oil.

This single product provides more than 90 per cent of foreign exchange earnings and more than 80 per cent of government revenue, so the slightest hiccup in the volatile world oil market affects almost all sectors of economic activity in the country.

Last August oil production had fallen to 708,000 barrels a day or about one third of the 2,100,000 b/d achieved in January. This dramatic collapse in production was forced on the Nigerians because they maintained their high selling price in the face of a flat world market and determined high production rates by Saudi Arabia.

Now with orders restored in Opec ranks a price cut by the Nigerians, production is rapidly recovering and oil industry sources are predicting a return to production of over 2 million b/d early in 1982.

This should mean that there need be no serious cutback in the very ambitious development plans which are overwhelmingly dependent on oil revenues.

Because of recent oil production slump foreign exchange reserves, which stood at 5,600m naira at the end of 1980 had fallen to 4,500m naira at the end of September but the country's external finances are quite sound, with the foreign debt service ratio at a mere 5 per cent or so.

Presenting his 1982 budget proposals in December, President Shehu Shagari announced a number of measures to conserve foreign exchange: a reduction in personal and business foreign travel allowances and a reduction in allowable offshore costs for consultancy services from the present 30 per cent to 20 per cent terms of domestic finance. Next year's budget is a prudent, even conservative document since it appears to be based on the assumption of oil production running at 1,300,000 b/d at the current price of \$36.50.

Production has already risen well beyond this figure

so the federal Government should have no funding problems in 1982.

More worrying for the Government is the apparently unstoppable rise in the level of imports. In 1979 these ran at a monthly average level of 722m naira; and in 1981 this had risen to a monthly average of 1,200m naira.

Partly this results from the ordinary Nigerian's increased spending power and this in turn partly stems from the civilian government's more conciliatory—some manufacturers would say weaker—attitude to wage demands. In the last two years the minimum wage has risen from 70 naira to 125 naira per month.

The import bill is further inflated and government revenue reduced by smuggling which is believed to take place on a huge scale.

The Government recently announced a major shake-up in the customs service and the formation of a special crack unit to deal with the problem.

Smuggling not only deprives the Government of revenue but costs jobs. In comparative terms Nigeria now has a high-cost economy and much of the manufacturing sector can only survive behind enforced tariff walls. This has been illustrated recently by failures and layoffs in the textile industry caused by the ready availability of cheap smuggled imports.

The overall thrust of President Shagari's economic policy is to diversify away from oil into manufacturing (including steel) and agriculture, the latter being a main personal concern of the President, who spoke on the subject at the international economic summit at Cancun.

The combined effects of the oil boom and the Sahel drought virtually killed off much of Nigeria's traditional cash export industry such as groundnuts in the north but even today about three of every four Nigerians live by the land.

In the period of the fourth

development plan (1981-1985) investment of \$8,000m is planned in the country's green revolution, the goal being food self-sufficiency by 1985, an unattainable target since this would require an annual 8 per cent increase in production and the plan only aims at 4 per cent, which most observers believe is itself ambitious.

The federal Government's will to revolutionize Nigerian agriculture is certainly there, not only in terms of investment targets, but in measures such as allowing foreign ownership of up to 60 per cent of equity in virtually all agricultural production and processing enterprises. But the main avoidable constraint in agriculture, as in all economic sectors, is a shortage of trained manpower.

At the very top of federal ministries and private enterprises alike are to be found a handful of Nigerian managers of the very highest quality, but below them there is a gaping void at the middle-management level.

Another constraint which is preventing the country benefiting more rapidly from its oil riches is the failure of parts of the economic infrastructure. Unreliable water supplies, frequent power cuts, and poor telecommunications all hinder economic development as does the habit of ignoring essential maintenance until plant actually breaks down.

Britain's stake in Nigeria's continued economic progress remains important national export market, making it the most important buyer of British goods outside Western Europe and the United States.

In 1980 British exports were worth about £1,200m and could top £1.5m in 1981, though up-to-date statistics are not available because of the strike by British civil servants in early 1981.

Strikes are now also an increasing feature of Nigerian economic life. The Central Bank says 870,000 man-days were lost in 1978, two million in 1979, and 2,350,000 in 1980.

Nigeria's oil wealth has had all sorts of unexpected results. Not only have some Nigerians become million-

aires overnight, some of them via dubious deals and access to import licences, but the buying habits of ordinary Nigerians have also changed.

Ten years ago rice was a luxury item eaten perhaps at Christmas, while today it almost has the status of a staple. A similar story can be told of bread. In 1977 Nigeria imported 700,000 tonnes of wheat. In 1981 the figure was probably about 1,100,000 tonnes and this is expected to rise to two million tonnes by 1985—a threefold rise in eight years.

It is statistics such as these rather than the dramatic stories about Nigeria's millionaires—which point to the real change in the country's economy, and to the necessity for President Shagari's great revolution to succeed.

Godfrey Morrison



A tin miner at Jos, a hill station where British expatriates play polo.

STEEL

Going full blast

At a time when most of the world's steel industry is deep in recession and contraction, the Nigerian steel industry is on the point of taking off into a huge and (it is hoped) prosperous expansion.

Last month President Shagari commissioned Africa's largest and most advanced steel plant at Aladja, near Warri, in Bendel State. And last June he laid the foundation stone of the even bigger Ajaojuta steel plant in Kwara State, which will come into production in the late 1980s.

Aladja uses the direct reduction method. Ajaojuta is based on the blast furnace process of iron making. There are also rolling mills at Oshogbo, Jos and Katsina.

The birth of the Nigerian steel industry has followed a long labour, as it were. As long ago as 1958 feasibility studies and market surveys were being carried out.

There has also been an element of competition between the West and the Soviet block. The Nigerians might prefer to say that the birth of the industry is an example of international cooperation. It is certainly a demonstration of Nigeria's non-alignment.

A Soviet team of experts first came to Nigeria in 1967. After much investigation and debate a decision was taken in 1975 that the blast furnace plant should be set up at Ajaojuta to use iron ore from Itakpe Hills (about 64km away) and a mixture of local and imported coals.

This involves a huge investment, about N2,500m in the first stage of the complex alone. This will result in a production capacity of 1,300,000 tons of steel a year, increasing to 2,600,000 tons in the second stage and 5,200,000 tons in the third stage.

At first only "long products" like bars, rods and beams, mostly for the building industry, will be produced. But in the later stages "flat products" like plates and sheets will be produced.

The total completion time for the project is six and a half years, but the first rolling mills should produce steel by June 1983.

The Aladja project began later, although it is in production first. It is also smaller, having a peak production of 2,500,000 tons a year, with one million tons in its first phase.

It was in some ways a

response to the Russian initiative. Some conservative Nigerians were concerned that so central a part of their economy should be dominated by the Soviet Union, and there was also concern in some Western quarters.

The Aladja contract was only signed in 1977, and the pace of construction has been remarkable. The consortium of companies involved are mostly German and Austrian, but there were also Indian, American and Swiss interests involved.

The international content of the Nigerian steel industry goes further. The Japanese are deeply involved in the construction of the Katsina mill; French companies dominate the civil engineering construction around Ajaojuta (although Wimpey is building a N30m training centre); and Israeli interests are also involved.

The Aladja complex will use ore imported from Liberia and Brazil. The disadvantage of the direct reduction method, and the main reason a blast furnace is being built at Ajaojuta, is that it demands a higher grade of iron ore than is at present available in Nigeria.

Kenneth Mackenzie



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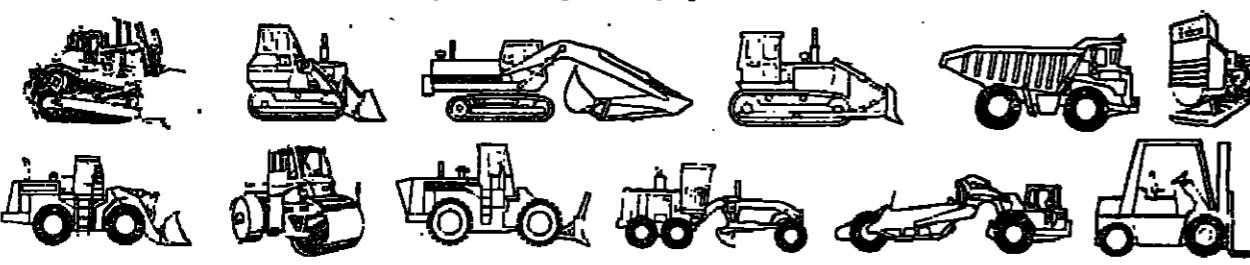
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NIGERIA

Godfrey Morrison looks at the problems of coping with a population approaching 100 million and Henry Stanhope at the strategic imbalance left over from the civil war.

Money can't buy everything

Asked how many people there were in Nigeria, the European diplomat thought for a moment and then said: "a lot." This reply though at first sight unhelpful, is fair and accurate, because nobody knows what the total population now stands at. The results of successive censuses since independence have been rejected and have been the cause of major political controversy because of their implications for the ethnic balance, and therefore the political power balance, of the country.

Estimates now range anywhere between 80 and 100 million, making Nigeria by far the most populous country in Africa, and it means that more than one in every four black Africans is a Nigerian.

Population growth is estimated at somewhere between 2½ and 3 per cent per year. That Nigeria's economic planners face a daunting task, whether in the provision of health facilities, education or job opportunities, is underlined by the estimate that roughly half Nigeria's population is under the age of 15.

Nigeria's plans for the future are heavily biased towards economic growth rather than the provision of social services. Thus, though life expectancy is only 49 and

the country has fewer than 60,000 hospital beds, health services will get only 3 per cent of total expenditure under the 1981-85 development plan.

More will be spent on education, the states being responsible for primary education and federal spending going mainly on higher education. Increasingly the emphasis is on vocational and technical training since Nigeria's main economic constraint is a lack of trained manpower at almost all levels.

Unlike in many African states where a chronic shortage of financial resources holds up development, in Nigeria the problem is often to spend the money available.

Universal primary education was officially introduced five years ago when enrolment rose to more than nine million compared to about 3,500,000 at the start of the decade. By 1980 about 13 million children were attending primary school and inevitably this enormous surge in attendance has led to problems. A high proportion of teachers are believed to be under-qualified and the standards of teaching are extremely low, particularly in parts of the North, which historically has always been less endowed with educational facilities. A Cana-

dian educationist told me he had visited a primary school whose headmaster was barely able to speak English, even though this was theoretically the language of instruction of his school.

Theoretically all primary education is free, though in some states financial difficulties have led to teachers not being paid, and in some cases fees being charged.

Though three-quarters of Nigeria's people still live in the countryside the drift to the urban areas has been very rapid, making Lagos and Ibadan probably the largest cities in Africa. As a result of natural increase and urban drift, Lateef Jakande, Governor of Lagos State, has estimated that Lagos is growing by 35 people an hour.

Despite massive investment on roads and other public services, services such as electricity and water simply cannot cope with this sort of growth, so power and water cuts are an everyday feature of life in the nation's capital.

Most businesses and many private homes are equipped with their own generators but the problems of life in Lagos make Nigerians and the foreign community alike look forward to the birth of the brand new capital being built at Abuja.

Just as Nigeria's towns act as a magnet for the country's

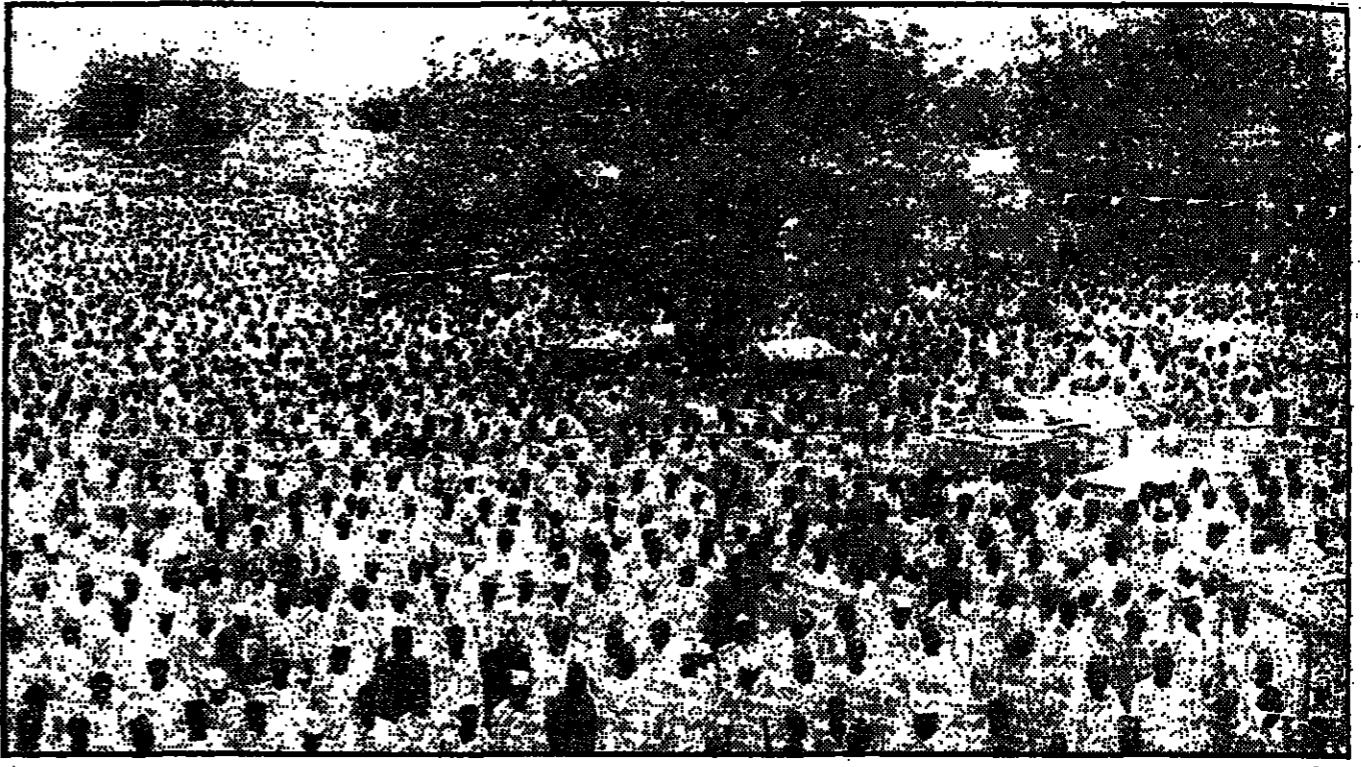
rural population so does Nigeria's wealth for people from the rest of West Africa.

Eventually the Economic Community of West African States (ECOWAS), of which Nigeria is a member, will officially guarantee free movement of people throughout West Africa, but even now there is much emigration to Nigeria, much of it unauthorized.

No figures are available but many thousands of Ghanaians, Togolese and Beninois have drifted to the Lagos area. In northern Nigeria people wander in and out across frontiers with even greater abandon and it is possible to meet nomadic people who can quite honestly say that they do not know whether, for example, they are Nigerians or citizens of neighbouring Niger. Where they live depends on the time of year.

The troubles in Chad have led to a major influx of refugees to north-eastern Nigeria around Maiduguri, some reports putting the figure as high as 100,000.

Not that the traffic is all one way. There are also many Nigerians in neighbouring countries — a particularly interesting example being the large Nigerian community in Sudan, most of whom are former overland pilgrims to Mecca who never made it all the way home.



While population is a problem, nobody is sure about numbers

Still recovering from war

The Nigerian Government has been trying to replace quantity with quality in its armed forces, thus redressing an imbalance which was created by the civil war.

The legacy of the war was an army of more than 230,000, the largest in Africa after Egypt, which suffered nonetheless from a shortage of first-class officers and NCOs and adequate accommodation.

To those problems have been added a mounting worry over equipment as weapons and support vehicles bought during the war have rusted away through lack of spares and maintenance.

Five years after the war ended, the Government was still having to pay out nine-tenths of the defence budget in the form of wages to soldiers — who in the absence of anything better to do, needed to be kept quiet. The army acted as a kind of social service, employing more men than the country needed or could pay for, simply to keep them off the streets.

The weaknesses had started to appear before the war. Until independence in 1960, and for some years after, the forces were British-led and promotion was awarded on merit, with the brightest and best young Nigerian officers attending cadet and staff courses in Britain and other First World Commonwealth countries. General Gowon and Colonel Ojukwu who led the opposing sides during the civil war had both been to Britain, the

former to Sandhurst, the second at Ibadan, the third at Jos and the fourth at Lagos.

The brigades are centred on other major towns in the country while a defence academy at Kaduna trains officer cadets on courses which for regular recruits can now last for more than two years.

A staff college also opened near by in the mid-1970s. Seconded British officers and NCOs as well as Indians and other Commonwealth officers help in the training.

There are also arms schools to teach specialist skills, so Nigeria now has the machinery to train an efficient fighting force, if the Government can succeed in making it work properly.

Recruiting is voluntary for all arms, and causes no special problems in a country where military service is looked upon as a privilege to be coveted. Far greater are the problems posed by tribal rivalries and by civilian resentment of the military elite.

Equipment though is mixed and in short supply. Because a number of western countries were reluctant to be seen to be fuelling the civil war by providing equipment for the expanded army, the Nigerians turned to the Soviet Union, with the result that their only battle tanks are 65 T-55s. Then there are 50 British Scorpion light tanks and a blend of British and French armoured cars and troop carriers.

There are four infantry divisions in the army, and a number of separate brigades. The divisions are the first

which is based on Kaduna, the second at Ibadan, the third at Jos and the fourth at Lagos.

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The international flavour persists too in the air force,

although as there are only 18 serviceable combat aircraft the mix is less apparent. There are only three front-line squadrons of fighter ground attack planes: for instance, one with MiG-17s and two with MiG-21s. Transports, trainers and helicopters are British, American and French, and equipment on order according to The Military Balance includes 12 of the Anglo-French Alpha-Jets in a combat as opposed to training, role.

A German-built frigate and four British Vosper-Thornycroft Corvettes are the largest vessels in the tiny Nigerian navy, supported by a mini-flotilla of fast patrol craft and other coastal craft.

Awareness of the difficulties created by such a dated, heterogeneous mix led the Government last year to announce that more than £5,000m would be spent on replenishing the empty-handed troops.

Britain's share of this potential market was at various times reported to be worth more than £500m — although Whitehall sources have also described this as an exaggeration. Towards the end of last year it was announced that the Nigerians were buying more than £50m-worth of Vickers main battle tanks and supporting equipment, and in a separate contract, £17m-worth of Lynx helicopters — with Nigerian crews being trained by Westland in this country.

But the Lagos Government which is in effect pouring out a tenth of its national budget into defence, also wants to build up its own arms industry by including licensing and co-production agreements in its armaments deals.

Participants in United Nations and other peacekeeping missions have provided the armed forces with the opportunity for foreign training and experience. It had also given the troops a sense of purpose, which is important in the vacuum following the civil war.

Meanwhile western countries are anxious to do business with the Nigerians, for political as well as economic reasons. Nigerian suspicion of the Soviet Union and Soviet ambitions in Africa has made the country an ally worth cultivating. Nigeria has the resources to become a major force in Africa before the end of this century. But it will certainly need western help along the way. That help will be forthcoming if the Lagos Government can continue to prove that it is leaning in the right direction.

The author is Defence Correspondent of The Times.



Westland/Aerospatiale Lynx — more British and French equipment is on order



Natural gas burns away... an asset Nigeria has not yet harnessed.

OIL The sweet life with Bonny Light

There are two things that the United States and western European buyers like about Nigeria's oil. Firstly "Bonny Light", as it is known, is a very sweet oil with sulphur content of less than 0.3 per cent. The other thing they like is that Nigeria is not in the Middle East, with all its attendant political uncertainties.

The Nigerians obviously appreciate their oil because it is providing them with the revenues which they hope will transform Africa's most populous country into a modern industrial state.

But their dependence on oil for such a high proportion of export earnings (more than 90 per cent) and government revenues (over 80 per cent) has its disadvantages and this was painfully demonstrated over the past year.

In January 1981 production averaged 2,100,000 barrels per day (b/d) and was being sold at a price of \$40 per barrel. But Opec was in disarray and the international oil market turned soft partly because of continuing recession in Western economies damping down on demand, and partly because Saudi Arabia stubbornly maintained a high production rate in the face of this situation.

By March production fell to 1,880,000 b/d and by June it had slumped to 1,350,000 b/d and finally in August it reached a mere 708,000 b/d.

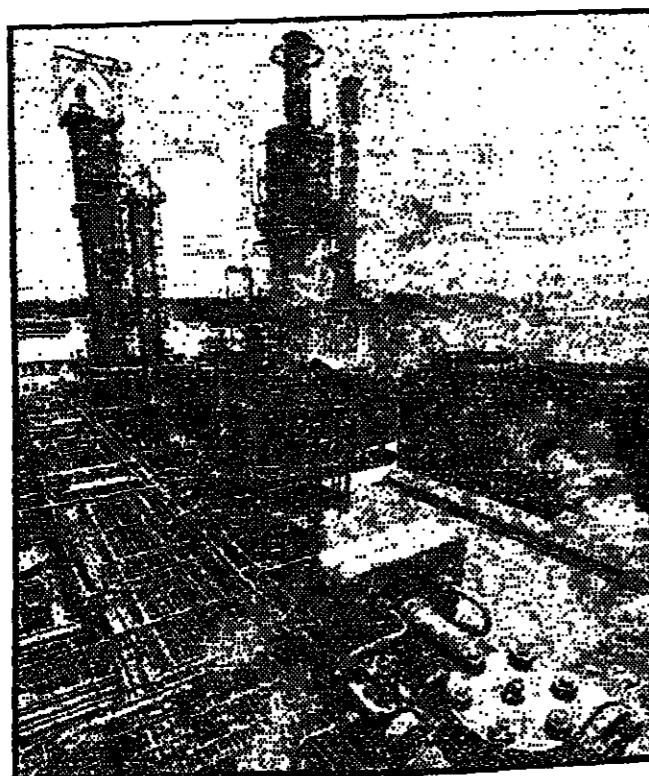
As a result there was much alarmist talk of an impending balance of payments crisis, of the need for emergency import controls and for a need drastically to prune spending on the development plan.

With the benefit of hindsight it is possible to argue that the Nigerians, by sticking grimly to their \$40 per barrel price for so long in the face of an increasingly soft international market, succeeded only in harming themselves economically.

But things might have turned out differently, the volatile market might have relented and reduced their production.

In any event the Nigerians in August lowered their price to \$36 per barrel and in October they changed their credit terms from 30 to 120 days but said that if payment

Godfrey Morrison



Exports are based 90 per cent on oil

Where there is oil there is natural gas. This should be an additional asset but in Nigeria 96 per cent of the gas output of its oilfields is flared (as opposed to about 58 per cent in the Middle East oilfields). Travelling through Rivers State, for instance, one sees orange flares above wellheads lighting up the night sky. They are picturesque, but obviously a gross waste of a valuable source of energy.

This is something that has worried the Nigerians for some time. In the early 1970s the military government passed a decree which banned the flaring of gas after 1984. The trouble is that to convert the gas into a saleable asset is a difficult and expensive operation.

However, the oil companies and the Nigerian officials got together and in 1978 Bonny LNG was formed. LNG stands for liquefied natural gas and Bonny is the name of the town in Rivers State where a plant was to be set up to convert the gas into liquid form so that it could be shipped to buyers in America and Europe. This called for an investment of about \$15,000m one of the biggest projects of its kind in the world.

Things were going well. A consortium of buyers had been lined up. Some \$82m had been spent on planning and preparation, and

although there was nothing to be seen at Bonny but a muddy building site, experts had hoped that deliveries of the liquefied natural gas might begin in 1986.

However things have now struck a snag. The Nigerian Government seems hesitant about investing the sort of money that is needed — about 1,600 million naira over the next five years.

In presenting an outline of his Government's Fourth Development Plan to the National Assembly in January 1981, President Shagari said that the project was "rather too big to be implemented alongside the other major projects to be implemented during the Fourth Plan period."

The President added: "The Government, however, remains committed to the implementation of the project and will vigorously pursue its execution in cooperation with the private sector and financing institutions."

The proposal was to put the starting date for work on the project back to 1984, and the meantime to invest only N300m to keep things ticking over.

The oil company experts found it difficult to believe that the Government really meant this and they gained some reassurances from senior men in the Nigerian

Government. However, these proved illusory.

Phillips has now withdrawn from Bonny LNG. Its share was only 7% per cent, but the serious thing is that Phillips had provided the management of Bonny LNG on secondment. The company has since 1968 operated a similar plant in Alaska. Its withdrawal must throw the whole project into doubt.

The original composition of the Bonny LNG shareholding was: the Nigerian National Petroleum Corporation 60 per cent; Shell and BP 10 per cent each; Phillips and Agip 7% per cent each; and Elf 5 per cent. Agip and Elf are now expected to take over the Phillips share.

The proposal is that the gas be conveyed by pipeline (owned by the Nigerian Government) from the oil fields to the Bonny plant. There it would be cooled to 140°C, when it is liquid, and stored in specially-built tanks which can hold 135,000 cubic meters of liquid each.

The proposal was to put the starting date for work on the project back to 1984, and the meantime to invest only N300m to keep things ticking over.

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The advantage to the purchaser of liquefied gas is that it can be stored relatively easily and fed into their supply systems at times of peak demand — in winter, for instance. Delicate timing is needed if the project is to be successful. Continuous production must be maintained, with a tanker ready to come in at the previous tanker leaves.

Stable relationships with customers are essential. Twenty-year contracts were being negotiated and were, in fact, ready to be signed in December, 1980. Arrangements had been made for ceremonies and celebrations in Lagos. At the last moment it was discovered that the directors of the Nigerian National Petroleum Corporation had all been suspended because of an inquiry into an alleged book-keeping fault. The ceremonies had to be cancelled.

The benefits to Nigeria of a liquefied natural gas scheme would be huge. There would be profit from the government share in Bonny LNG; profit from transporting the gas by pipeline; tax from the oil companies' profits; and fairly cheap gas available for local consumers.

Most important, it would mean that a national asset was no longer wasted.

Kenneth Mackenzie

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We set the pace...



President Shagari's commitment to agriculture is as vital as the role of the small farmer like the one below, watering a crop of sweet peppers in the north.

Far left: some of the country's 12m cattle.

Left: Alhaji Ibrahim Gusau, Minister of Agriculture.

Facing page: checking the corn crop at the Gusa Demonstration Farm in the north west — part of a massive project involving 68,000 families financed with the aid of a \$19m loan from the World Bank. Agriculture's share of gdp has fallen from 60 per cent at independence to 21 per cent today, but a seven-year target has been set for the revival of cash crops.



Agriculture is at last being given the priority it deserves and by 1985 the Government hopes to return to self-sufficiency in food. Guy Arnold analyses its role in national planning and, on the facing page, Alan Rake traces the background to the decline in farm exports

The need for a green revolution

Three quarters of Nigeria's population, which is now increasing at 2.5 per cent a year, are dependent upon agriculture and live in the rural areas. Oil and the attractions of industrialisation over the past decade have led to massive neglect of agriculture so that today Nigeria has ceased either to feed itself or to export food commodities on any scale as

Food now accounts for about 15 per cent of imports at an annual cost of 1,000m naira. Hopefully, however, this trend is about to be reversed. Thus, while during the 1970s an average of only 6% per cent of federal spending went on agriculture this increased to 11.3 per cent for 1980 and 12.7 per cent for 1981. The rural-agricultural sector at last appears to be receiving the money and attention it so urgently deserves.

The 1980 ILO Report for Nigeria, *First Things First* — said: "One of the surest routes to economic growth in Nigeria would be improved health, through improved nutrition, water supplies etc". These things go to the heart of any rural-agricultural programme. Basically Nigerian farmers need to learn better methods of food production. The report stressed that the sector required more federal spending, land reform and general priority attention. The present Government, it would appear, is giving such priority to agriculture: it is not before time.

President Shagari has made plain his commitment to agriculture. When he introduced the Fourth Plan he said the emphasis should be on "direct assistance to small farmers in the form of extension services, improved seeds, fertilisers, credits, tractors and implements, grain stores and land clearance".

The plan targets include: encouraging private business to undertake large scale farming; cooperatives; subsidized fertiliser; an increase in the number of available extension workers. This, indeed, may be the most important (and also hardest) aim to achieve. At present Nigeria has about one extension worker to 2,500 farmers (in Kenya the figure is one to 250 and the ideal is one to 50); the target is one to 800. It represents a massive reduction to achieve.

Under the Fourth Plan (covering 1981-1985) about 13 per cent of total resources will go to the rural sector so that it does appear that agriculture is at last receiving the attention it requires. Much has already been said about Nigeria's green revolution although as yet it is too early to say whether it will achieve its targets. The basic strategy is to eliminate restraints and improve the rural infrastructure. By 1985 it is hoped again to make Nigeria self-sufficient in food and in seven years to have returned the country to the position of being a major food exporter as it was at independence.

Special emphasis is being given to irrigated agricultural projects as well as rural water supplies; the problem of post-harvest losses through bad storage is being tackled while a target has been set to raise the present ratio of 15 grammes meat intake per caput per day to 35gms. In fact everything — services, infrastructure, commodities for export, cattle, the fishing industry and forestry — require fresh approaches.

Nigeria is able to call upon a number of external development resources. Under its Lomé II programme, for example, Nigeria has assigned 35 per cent of available EEC funds to rural development. In London this December the Nigerian British Chamber of Commerce held a conference to examine ways in which British suppliers can best help Nigerian agriculture.

Big projects — for example under the auspices of the country's River Basin Authorities — are part of Nigeria's answer to its agricultural development projects (ADPs) — seven states now have ADPs and more are planned — which are designed to provide comprehensive development for an area — both services and infrastructure.

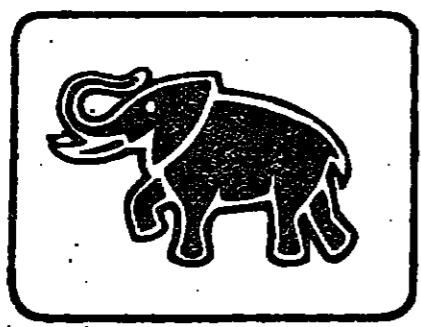
During the 1970s export commodities either declined (palm kernels and rubber), ceased altogether (groundnuts) or remained static. Nigeria used to supply much of the world's groundnut oil for human consumption; the civil war, drought and neglect ended this situation so that today it imports 200,000 tonnes of groundnut oil a year. Under the plan it is hoped to restore Nigeria to self-sufficiency in groundnut production.

There is a programme to rehabilitate the old palm groves, while investment should increase palm oil production by 125,000 tonnes a year. Nigeria, however, has a long way to go before food commodity production is restored to its former importance: the target is to make Nigeria a major commodity exporter again by the late 1980s.

The key to agriculture in Nigeria — as indeed in most of Africa — is the small farmer and too often he is overlooked. Modern techniques, machinery, inputs of fertilizer and so on all have their part to play but small farmers account for 90 per cent of all production and if they are neglected — inadequately serviced or not provided with sufficiently attractive incentives to produce — then no programme of rural and agricultural rehabilitation will succeed.

The problems are not new: banks are reluctant to commit resources to finance rural development; the drift to the towns continues and the same area of land is called upon to produce more food to feed the urban areas; rural infrastructure remains grossly inadequate and always there remains the question: how to make life in the rural areas more attractive.

Unless the green revolution produces some startling results — and soon — then on present trends Nigeria may be importing twice as much in 1985 as it does at present. The basic problem which only a highly successful agricultural programme will enable the country to overcome lies in the fact that while demand for food is increasing by 3.5 per cent a year food production at present is only increasing by 1 per cent a year.



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Cash crops could be the answer

At independence in 1960, Nigeria produced only a trickle of oil. It formed 2.6 per cent of export earnings compared with more than 90 per cent which came from a wide range of tropical crops and timber. Nigeria was the leading producer in Africa of groundnuts, groundnut oil and cake and of palm kernels and palm oil.

In 1970, after the Nigerian civil war, crude oil accounted for only 40 per cent of export earnings while agricultural cash crops held a greater share. But in the decades that have followed, agricultural exports, with the exception of cocoa, a little rubber and a few specialized crops, have dried up.

The production of groundnuts was once more than a million tons. Great pyramids of groundnut sacks were the hallmark of northern cities like Kano at the end of the harvest season and the lorries and trains rolled endlessly to the ports. An optimistic World Bank team which visited the country in 1971 projected production of 1,400,000 tons by 1980 and 2,100,000 tons by 1984. Instead, exports stopped altogether in 1975 and there has been insufficient production even to feed the local crushing mills.

The World Bank team suggested that palm kernel production would reach 425,000 tons by 1980, but production reached a peak in 1976 and then collapsed to today's level of about 50,000 tons. Massive investment in new crushing mills in the mid-1970s went to waste as the supply of palm kernels, even for local processing, began to dry up. Instead, the Nigerian consumer both in the country and the rapidly

growing towns began to use more oil for his own cooking requirements.

Today Nigeria is a huge importer of palm oil, Alhaji Ibrahim Gusau the Minister of Agriculture, said lately that vegetable oil imports cost the Federal Government about £25m naira annually. Nigeria whose name was once synonymous with the nineteenth century palm oil trade, is next year expected to import 25,000 tonnes of palm oil.

The production of rubber, which was badly affected by neglect and the devastation of plantations during the war, recovered to peak exports of 61,000 tons in 1974. Since then exports have remorselessly declined year by year to some 30,000 tons.

In cocoa, Nigeria was the second largest exporter after Ghana and cocoa production was traditionally the second most important export.

In 1965 production reached a peak at 310,000 tonnes, a little less than a quarter of total world production.

Today, the average crop is between 150,000 and 170,000 tonnes and Nigeria has already fallen behind the Ivory Coast and Brazil as a producer.

The Commodity Board purchases in 1980 were 23 per cent lower for cocoa, palm kernels and rubber in 1980 than in 1979. And loans to farmers under the agricultural credit guarantee scheme were also considerably down over the same period.

One explanation for the decline in Nigeria's agricultural exports is that farmers have been switching from export crops to food crops to feed the rapidly growing population, particularly in the towns. But there is scant

evidence that this switch had been going on except in particular areas. The Minister of Agriculture said that Nigerian food imports had passed the N1,000m mark in a speech he made on World Food Day. He blamed Nigeria's inability to feed itself on lopsided planning in the past and grossly inadequate public and private investment in the agricultural sector.

Despite promises by successive Nigerian governments that agriculture would be given priority, agriculture's share of the gross domestic product had declined from 60 per cent at independence to 21 per cent today, while the service sector and transport, particularly when related to the oil business, has grown proportionately.

Why does fuel drive out food? The reasons obviously go far deeper than the wrong government policies of the past, that are now widely admitted. The creation of oil wealth has upset the whole social balance between the cities and the rural areas.

Cocoa farmers are typical. Both the farmers themselves and the cocoa trees are aging. The younger generation, discontented by life in rural areas, has deserted for the towns, leaving the older farmer stuck in his traditional ways and not carrying out sufficient maintenance or disease prevention, let alone the replanting of cocoa trees which must be carried out every couple of decades if production is to be maintained.

Palm oil plantations have been similarly neglected. Frequently the fruit is not harvested and plantations are allowed to go back to bush. The older farmer cannot cope.

The marketing boards now pay the highest prices for the main cash crops anywhere along the West African coast.

For cocoa for example, the Nigerian farmer gets the equivalent of £1,000 per tonne compared with £800 in Ghana, £553 in the Ivory Coast and £540 in Cameroon. Next year unless the world cocoa price averages over £1,100 per tonne the Nigerian Cocoa Board, hence the Federal Government, will actually be subsidizing farmers without leaving any fat to meet administrative and transport expenses.

But clearly price incentives alone have not yet been enough to bring about a revival in the production of export crops. Under the plan priority goes to the food production sector.

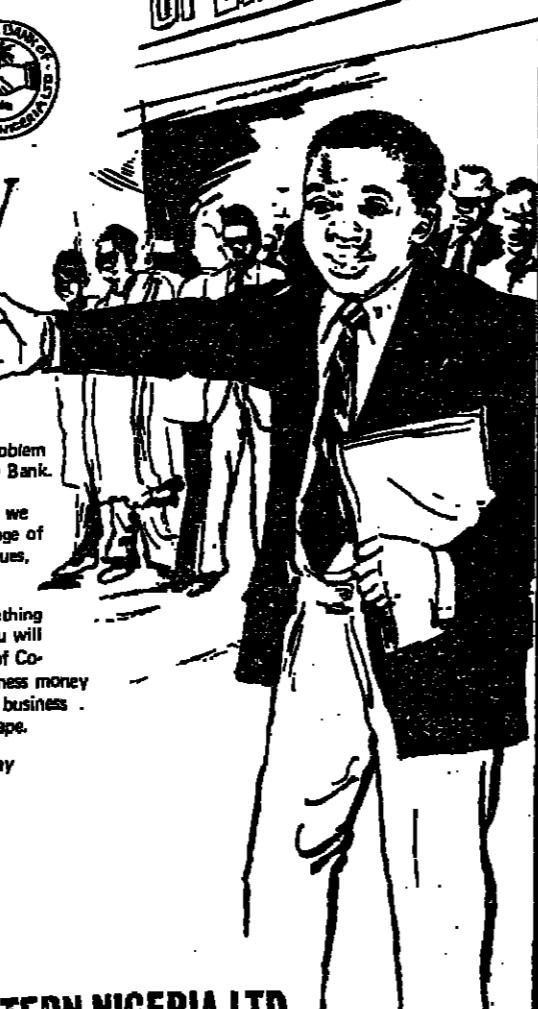
There has been much criticism, lately, of the green revolution for putting too much emphasis on state-run, large-scale, mechanized projects. Professor H. A. Olowa-sami, the former Vice-Chancellor of the University, said in a World Food Day speech that "Large government farms would neither pay their way nor yield the expected returns in cheap and abundant food... government institutions and organizations are not designed to manage commercial ventures which require close attention."

The First National Seminar on the green revolution held in October also criticized the Government approach for concentrating on the main state projects and preventing millions of farms from getting the necessary inputs. Instead it had allowed groups not actually engaged in food production to profit. In its official communiqué at the end of the meeting, the seminar emphasized that caution should be exercised in encouraging large-scale mechanized farming. It called for a National Office of Peasant Mobilization under the direct control of the President, with its main purpose being to organize farmer cooperatives before 1985.

It is when the peasant farmer is convinced that it is worth his while to revive cash crop production that the current decline will be halted. Unfortunately there are few signs of this happening yet.

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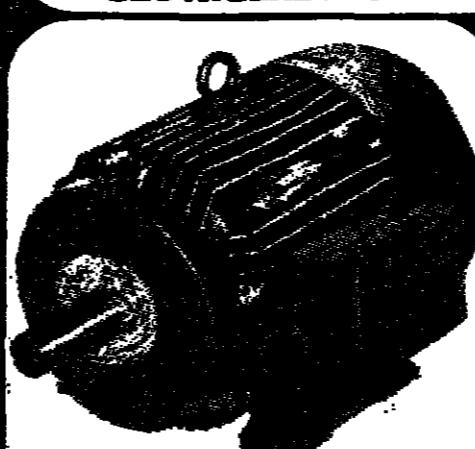
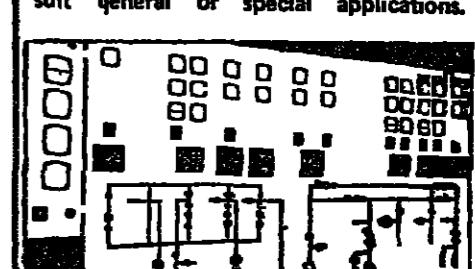
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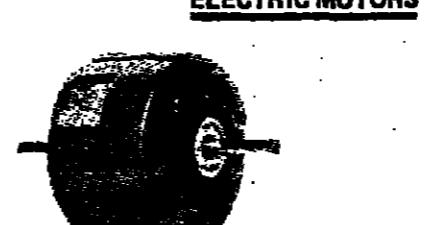
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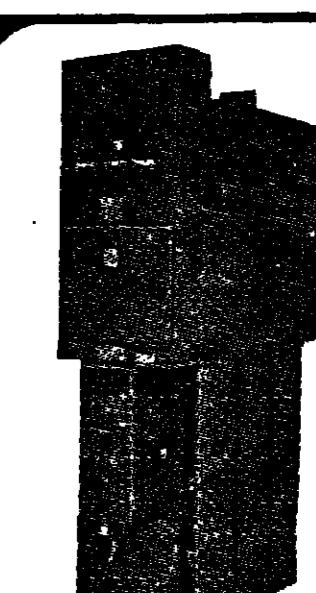
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Investing in Nigeria requires patience as well as money but it can be rewarding; a survey of some 70 manufacturing companies in the country showed an average annual profit for the five years 1975-80 of 39 per cent (of equity) pre tax and 20 per cent after tax. Those five years included a sharp domestic recession.

It has to be remembered, however, that virtually all investment in Nigeria has to be in partnership, using that word, colloquially, rather than with legal precision, with Nigerian interest, which may be official or private. Certain business activities are reserved for solely Nigerian interests by the Nigerian Enterprises Promotion Act, more usually referred to as the Indigenization Act.

In other activities Nigerians must hold at least 50 per cent or 40 per cent of the equity but, as General Obasanjo observed when he introduced the decree, 40 per cent of a business in Nigeria is worth more than 100 per cent in half the other countries of the world. The categories in which non-Nigerians may invest cover a very wide range of activities, and Nigeria's need for industrial investment is wide.

The guide lines for the fourth national development plan allowed for 11,500m naira of private investment over the period of the plan, 3,000m naira of that being allocated for manufacturing. Admittedly, the plan is having to be revised because of the decline in revenue from last year's drop in oil production but the government sector is the most likely area to show pruning. According to President Shagari's recent Budget speech there was growth of something like 15 per cent last year in Nigeria's manufacturing sector.

Any investment in Nigeria must, therefore, be in the form of a joint venture. A joint venture may be with one or several local partners depending on a variety of factors. If it is with an individual it may be the person with whom dealings over a number of years have built up a mutual trust — simple exporters of goods were warned at a recent meeting of the Nigerian British Chamber of Commerce that if they do not soon become local manufacturers they may see their trade dwindle. Or it could be a man of proven integrity, even if of limited resources. Or it might be a rich established businessman wishing

to expand his interests into new fields.

It has to be recognized, however, that Nigerian domestic politics can change the circumstances of the individual partner in ways that may not be beneficial for the businesses in which he is involved and therefore it may be advisable to extend the Nigerian ownership beyond an individual. This can help to tap local capital sources, increase the number of people with an interest in the success of the venture and help the foreign investor to be the largest single shareholder. This latter object is desirable since it will help the foreign investor to be responsible for day-to-day management of the venture — it is assumed that there will be a local board responsible for more strategic management.

Management resources in Nigeria are very stretched and are inadequate for the country's needs, especially at middle management and supervisory levels where development is far outstripping the supply of experienced people. An investor will have to expect to do a considerable amount of training. He will come under pressure to indigenize his staff as soon as possible but also sheer cost of maintaining expatriate staff in Nigeria will ensure that few investors will keep them there longer than is essential.

Opportunities exist for simple metal working such as galvanized tube, buckets, dustbins, drums, barrels, rolling or extruding aluminium nuts, bolts, screws, washers and other simple metal goods used in the construction industry.

Last November the Minister for Housing, Dr. Wahab Dosanmu, said that foreign investors would be encouraged to build houses to sell to Nigerians. He said they would get invited to visit houses to assess what type of house would be appropriate.

There are still plenty of openings in the vehicle components field. More makers of refrigerators are needed, as are makers of sanitary ware, floor and wall tiles and ceramics generally. Electrical accessories and insulators are needed and the plastics industry will, in the not-too-distant future, be able to draw raw materials from local petrochemical plants. Shoes and clothing are banned imports but the scale of smuggling makes it plain that local industry does seem able to satisfy demand in either quantity or quality. Although the beer and soft drink industries are still expanding their capacity the market seems to be even faster growing.

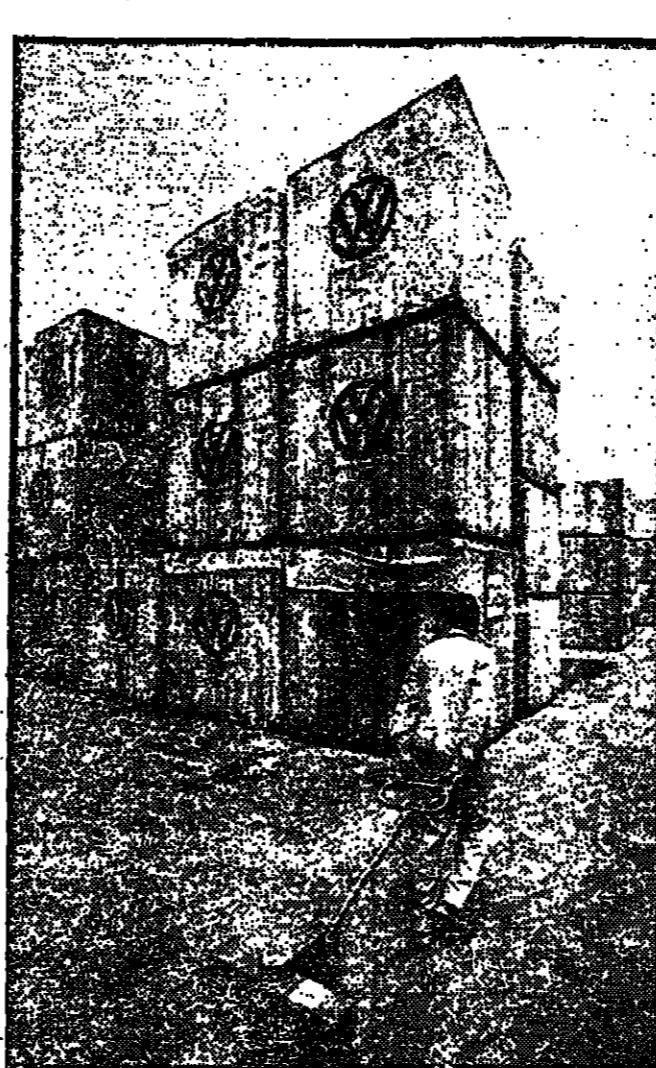
The guidelines to the fourth national development plan list nearly 100 industries that the Federal Government would like to see developed. They range from telecommunications switchgear to tooth picks: the latter probably do not offer much opening for a foreign investor, indeed quite a few of the hundred are simple manufac-

turers not needing a foreign investor whose principal contribution is almost certainly going to be expert knowledge both industrial and managerial. This still leaves a generous range of opportunities.

At present the major openings are in import substitution industries, which the Government wants to encourage, and in processing local materials again for local consumption rather than export. Nigerian production costs are too high to allow many Nigerian manufacturers to be competitive in foreign markets, and, indeed, most domestic industries need protective tariffs against imports.

President Shagari promised in his Budget speech a tightening up of the customs service which has hitherto been unable or unwilling to prevent smuggling on a scale which has done considerable damage to Nigerian industries, such as the plywood and textile industries to quote two major examples which suffered severely in the past year.

Opportunities exist for simple metal working such as galvanized tube, buckets, dustbins, drums, barrels, rolling or extruding aluminium nuts, bolts, screws, washers and other simple metal goods used in the construction industry.



Volkswagen parts for assembly at the Lagos plant.

based industries; in these sectors foreigners are allowed 60 per cent of the equity but very careful planning and advance studies are needed in these activities. It should also be remembered that Nigerian agriculture is not heavily mechanized and much of the land is not suitable for the farming technology that is used in Europe.

Nigeria's population is generally put at the convenient round figure of 80 million and the proportion coming into the cash economy as potential customers is increasing, even faster than the overall population — one projection has forecast this at 200 million by 2,000 which could provide a substantial home market to support an industry. Nigeria is a member of the Economic Community of West African States, ECOWAS, a grouping of 16 countries which is moving towards a customs union

Peter Thistle Suffern

with internal free trade (by the end of May 1982) and a common external tariff. By then the transport system with the 16 states — stretching westwards from Nigeria to Senegal — should be much improved, making the possibility of exporting from a Nigerian manufacturing base a reality.

All round, Nigeria offers many attractions and openings for overseas investors — and is more kindly inclined towards those who declare faith in Nigeria's future early. Setting up there can be arduous, requiring a lot of patience and painstaking attention to detail. There are profits to be earned, though it would not be wise to expect automatically to repeat the experience of the company which last year declared a dividend of 30 per cent on its first full year of production.

In the terms of its size, the oil wealth at its disposal and the country's long-term development plans the Nigerian market remains one of the most attractive in the world. But for Nigeria the most worrying aspect of her trade is the pattern which persists after 21 years of independence: the country remains an importer of all the most important manufactured goods and an exporter of raw materials.

The only significant change in the pattern is that oil has been substituted for agricultural commodities as the principal export. In addition, most of Nigeria's trade remains with Europe and North America.

Revenue from oil enables Nigeria to import machinery and manufactures she requires for her development; few of these are as yet being produced at home.

The oil glut forced Nigeria to cut its production back drastically during 1981 to a loss of 773,000 bpd in July and one result of that was a package of austerity measures in September. Oil accounts for over 95 per cent of all Nigerian exports. It dominates Nigeria's trade too much for comfort and in 1980 96.1 per cent of all foreign earnings came from oil. The value of oil exports last year came to 135,000m naira while that of all other exports to only 55,000m naira. Even despite the glut increased prices for oil mean the value of exports has leapt from a 1977 figure of US\$12,430m to a 1981 forecast figure of US\$20,000m.

Principal customers for Nigeria's oil exports (1980 figures) are the USA — 44.3 per cent, The Netherlands 22.1 per cent, France — 11.2 per cent, West Germany 5.8 per cent, Italy — 2.8 per cent and ECOWAS 2.8 per cent. A cause for concern during 1980 was the fact that non-oil exports fell by 17 per cent. Of these latter Britain takes 26.6 per cent, other partners for Nigeria's non-oil exports are The Netherlands 17.6 per cent, West Germany — 17 per cent, USA — 11.7 per cent, followed by France, Japan and Italy.

Most of Nigeria's imports come from Europe with Britain well in the lead as principal supplier although that position is now strongly challenged by West Germany.

The main categories for Nigerian imports are machinery and transport equipment (valued at 4,548m naira in 1980), manufactured goods (2,076m naira), food and live animals (1,091m naira), chemicals

TRADE

In the court of King Oil

France imported 12,700m naira worth of goods from Nigeria of which half — 10.5m tonnes — consisted of oil.

This year the Nigerian Export Promotion Council reported some encouraging signs of Nigerian exports increasing to her ECOWAS partners — notably Senegal, Ivory Coast, Togo and Sierra Leone — with the high quality of Nigerian goods comparing favourably with similar goods made in those countries. A very small proportion of Nigeria's total trade, however, is with either ECOWAS or the rest of Africa. ECOWAS is the obvious outlet for much Nigerian trade — certainly for her manufactures which are unlikely to penetrate the European market for a long time to come. But ECOWAS faces a number of technical and administrative problems: tariff differentials between members which so far have only been partially reduced, divergent currencies and indifferent infrastructure.

A long way to develop

The size of the Nigerian market is testified to by the fact that in the six months to the end of November 1981, for example, British firms alone won contracts in Nigeria worth £350m. Yet, despite such figures Nigerians suggest that British businessmen are not sufficiently aggressive and that in consequence too many major projects are won by Britain's principal competitors — West Germany, France, Japan and the USA.

Most successful is Peugeot

In 1980, after Britain, West Germany held 15 per cent of the Nigerian market, the USA 11 per cent, Japan 10.8 per cent, France 7.1 per cent, Italy 6.7 per cent and The Netherlands 4.1 per cent.

In recent years France has made determined efforts to obtain a larger share of the Nigerian market: she has had considerable success and Nigeria is now France's second trading partner overall in Africa after Algeria. In 1980, for example, France supplied Nigeria with 200,000 tonnes of sugar which accounted for 16 per cent of her exports to her.

French investment in Nigeria is increasing fast and there are now more than 120 French companies operating in the country. The most visible — and successful — of these is Peugeot. Last year

Guy Arnold

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Nigerians desperately need foreign expertise and foreign investment but hate to admit it
Gillian Gunn explains attitudes to economic nationalism

Holding on to independence

A tourist wandered into the central Lagos market recently, taking photographs of elegantly obese "Mammy traders" selling equally plump silver fish out of old somewhat unhygienic oil drums. An irate Nigerian accosted her: "You can't take pictures that ridicule us and then sell them in Europe for your own profit. Give me that film or I'll smash your camera!"

Like many Third World countries, the colonial experience has left Nigeria with an understandable chip on its shoulder. The desire to appear respectable in Western eyes, avoid exploitation and demonstrate independence evidenced in the man's outburst is reflected throughout Nigerian life. It has special consequences when applied in the economic sphere.

Ever since independence the Nigerian Government has sought to prove itself an independent entity that cannot be pushed around by the old metropole. A particularly vigorous form of economic nationalism emerged early on, which idealizes reduction of foreign control over all aspects of commerce and industry.

But in recent years the "I'm all right Jack" attitude has been tempered by a realization that Nigeria desperately needs the technical and financial resources foreigners can supply. Nigerian nationalism has acquired an ambivalent flavour, with the country simultaneously yearning for foreign assistance and hating to admit it.

Consequently the Government constantly tinkers with legislation as it tries to balance nationalistic desires with economic realities.

An example of this balancing effort is found in the "National Office of Industrial Property" legislation. Established in 1979 by the outgoing military government, the office was supposed to examine trademark, management and technical agreements between Nigerian and foreign firms to ensure that the technology transfer terms were fair. Objectionable agreements which exploited Nigerian enterprises were to be denied foreign exchange approval for payment.

"Because of the profit motive, foreign companies supplying technology don't want us to develop the absorptive capacity to redesign and implement that



The single white face among miners at Onyeama coal mine belongs to a Polish expatriate.

know-how", a Nigerian technology expert said at the time. "They want to sell us the same technology again and again. We are like the buyer of a house who every day has to call in the architect to turn on the lights."

When President Shagari was elected in late 1979 he took note of objections from foreign firms, who claimed the law would deter investment and eventually reduce the transfer of technology to Nigeria. In response Mr Shagari declined to implement the law and in early 1981 the Government reviewed the legislation and softened some requirements. By the end of 1981 the law was still on the books, and companies had received questionnaires on their technology transfer terms, but the office still had made no rulings against foreign firms. Economic realities won over nationalistic sentiment.

The balance between these conflicting imperatives is also reflected in Nigeria's 1977 "indigenization decree"

(officially termed the Nigerian Enterprises Promotion Decree). This limits foreign investment with the aim of promoting and protecting Nigerian participation in all areas of the economy".

The decree permits 40 per cent or 60 per cent foreign equity investment in Nigeria, depending on the target sector's level of technology and capital intensity.

Designed to reduce foreign control of the economy, the law soon created a "chilling effect" on investors in some sectors. In February 1981 the Government responded by increasing the foreign equity limit for a number of sectors, including agribusiness, from 40 per cent to 60 per cent.

More recently President Shagari proposed a Bill in the National Assembly which would redefine a foreign company in the context of the indigenization decree and permit greater foreign expansion in Nigeria.

Finally the nationalist/pragmatist dilemma is illustrated in Nigeria's policies on expatriates. Nigeria's image

of itself as an independent country equal in stature to the old colonial power is not enhanced by the presence of thousands of expatriates.

When applying for an expatriate permit the prospective employer must report its programme for training Nigerians as well as its plans for replacing foreigners with locals. The Government can also order outright employment of Nigerians. Last winter, for example, firms were instructed to place Nigerians in executive board positions.

In technology transfer, foreign investment and expatriate employment the balance between nationalism and pragmatism has increasingly been struck in the latter's favour over the last few years. But admitting the need for foreign assistance does not rest easily on the Nigerian conscience and the pendulum is sure to swing the other way again eventually. In the meantime, nationalist rhetoric will continue to live uncomfortably with economic realism.

FOCUS

continued from page IX

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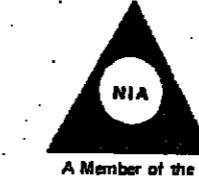
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Investing patience if it can be shown companies showed a 50% profit tax. Those included a recession. It has however, investment, be in part world, than with Nigerian business served to interests. Enterprise, more usual in other rians must be in part equity but equity introduced a 1% interest on a b cent in countries Nigerians very wide and Nigerian trial invest

The guide fourth national plan allows naira of over the period 3,000 million allocated. Admittedly, to the decline last year production sector area to s cordings to ri's recent there was thing like in one sector. Any inv must be in form of a joint venture or a sev depending factors. If individual person with over a number built up a simple ex meeting. British Ch merce that would occur turers the trade dwi a man of even if or it might hited bus

Banks Leading companies Diplomatic missions Ministries the Executive Transport Entry regulations Health certificates Radio and TV Public holidays Books

The Executive

Head of State: President Alhaji Shehu Shagari
 Vice-president: Dr Alex Ifeanyichukwu Ekwueme
 Ministers:
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 Aviation: Alhaji Abubakar Iro Dan Musa
 Commerce: Alhaji Bello Maitama Yusuf
 Communications: Mr Isaac Shaibu
 Defence: Alhaji Akani Onyangi
 Employment, Labour and Productivity: Mr Samuel Adebisi
 External Affairs: Professor Ishaya Audu
 Federal Capital Territory: Mr John Jatan Kadiya
 Finance and Customs: Mr Victor Masi
 Health: Mr Daniel C. Uwuru
 Housing and Environment: Dr Wahab Olaseinde Dosunmu
 Internal Affairs: Professor Iya Abubakar
 Justice: Chief Richard O. Akinjide
 Mines and Power: Alhaji Mohammed Ibrahim Hassan
 National Planning: Mrs Adenike Ebun Ogahola
 Police Affairs: Professor Emmanuel C. Osamor
 Science and Technology: Dr Sylvester Ughoh
 Social Welfare, Youth, Sports and Culture: Mr Paulinus Chinuolu Amadikwe
 Steel Development: Malam Ali Makale
 Transport: Alhaji Umaru A. Dikko
 Water Resources: Alhaji Ndagi Mamudu
 Works: Professor Sunday Matthew Essang

continued from page VIII

Housing and Environment, 4th Floor, Block 1, New Secretariat, Ikoyi.
 Industries, 9th Floor, Block 1, New Secretariat, Ikoyi.

Internal Affairs, 1st Floor, Block 1, New Secretariat, Ikoyi.

Justice, 4th Floor, Block 2, New Secretariat, Ikoyi.

Mines and Power, 6 Storey Building, Broad Street, Lagos.

National Planning, 5th and 6th Floors, Block 1, New Secretariat, Ikoyi.

Police Affairs, 2 Kofo Abayomi Street, Victoria Island.

Sciences and Technology, 3rd and 4th Floors, Republic House, Marina, Lagos.

Social Welfare, Youth, Sports and Culture, Kofo Abayomi Street, Victoria Island.

Steel Development, 1 Ozumba Mbadiwe Street, Victoria Island.

Transport, Joseph Street, Lagos.

Water Resources, 5 Kofo Abayomi Street, Victoria Island.

Public Works, Tafawa Balewa Square, Lagos.

Transport

Road: All-weather roads make it possible to get to many points by car but in some areas many secondary roads are likely to become impassable during the rains. Traffic travels on the right.

Rail: The railway system consists of about 3,500 km of track with main lines from Lagos and Port Harcourt which meet at Kaduna. The line then continues through Zaria and Kano to Nguema. There is a branch line to Jos, Gombe and Maiduguri, and another to Funtua, Gusau and Kaura Namoda. Although passenger facilities exist the main traffic is freight. At present the railways are managed by an Indian company, Rail India Technical and Economic Services. A new standard gauge railway system is to be built covering over 6,000 km of track.

Ports: The three main ports are Apapa/Tin Can Island, Port Harcourt and Calabar. The other four - Sapele, Warri, Burutu and Koko handle only small quantities of freight. Plans are on hand to expand the Atlas Cove oil terminal at Lagos.

Air: Nigerian Airways operate services from Lagos, Kano and Port Harcourt to link with 11 other centres: Sokoto, Maiduguri, Ibadan, Benin, Enugu, Calabar, Makurdi, Ilorin, Kaduna, Jos and Yola.

Entry regulations

Business visitors must now apply for entry permits to the Nigeria High Commission Area Office nearest to their business address. These are:

- The Nigeria High Commission Area Office, 3-11, North St Andrew Street, Edinburgh. Telephone: 031-557 0275 (Scotland) and the north of England)
- Nigeria High Commission, Consular Section, Fleet Street, London EC4. Telephone: 01-353 3776 (the south and east of England)
- Nigeria High Commission Area Office, Oriel Chambers, 5 Covent Garden, Liverpool. Telephone: 051-227 4921 (Wales and the west of England)

Visitors with passports bearing statements such as "Visa applied for" should not travel to Nigeria until they have a valid entry permit. This application should be made well in advance and should be supported by a letter of invitation to visit Nigeria and the return ticket for the journey.

Health certificates

Visitors require international certificates of vaccination against smallpox (issued not more than three years previously), yellow fever (not more than 10 years previously), and cholera (not more than six months previously) only if arriving from an infected area. A TAB vaccination is recommended.

Radio and TV

Radio: Nigerian radio services are controlled and owned by the Federal and State governments. A national service is provided by the Federal Radio Corporation of Nigeria (FRCN) known as Radio Nigeria with headquarters in Lagos.

In addition to the national service state broadcasting stations are operated in each of the states. There is also an FRCN external service which broadcasts to Europe, Africa and the Middle East in English, French, Hausa and Arabic.

Television: A national TV network was established at the end of 1975 bringing under Federal control the stations previously operated by some states. Countrywide colour coverage is virtually complete with an NTA (Nigerian Television Station) now in every state.

Several state governments, mainly those opposed to the present Government, are now also establishing their own TV stations.

Public holidays

Public holidays - 1982

*Eid el Mawlid

January (1981: January 19)

*Eid el Fitr

July (1981: July 31)

National Day

October 1

*Eid el Kabir

October (1981: October 8)

The dates of holidays marked * depend on physical sightings of the moon and therefore vary each year. The Muslim lunar calendar has only 354 or 355 days so Muslim dates and holidays fall 10 to 12 days earlier each year on the Gregorian calendar.

Principal religions

It is estimated that about 44 per cent of the population is Muslim. About 22 per cent is Christian and most denominations are represented.

Ethnic groups and language: English is the official language but there are four main linguistic and tribal groups: Yoruba in the west; Ibo (east); Hausa and Fulani (north).

Bookshelf

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Nigeria since 1970: A political and economic outline (Longmans, 1981) Anthony Kirk-Greene and Douglas Rimmer
Nigerian Financial System (Macmillan, 1980) G. O. Nwankwo

continued on page X



Tolls on the new Lagos/Ibadan expressway.

Balance of payments forecast

	(N m)					
	1980	1981	1982	1983	1984	1985
Exports	14,640	15,672	16,758	17,894	19,079	20,306
Imports	11,818	13,263	14,884	16,601	18,485	20,548
Trade balance	2,822	2,409	1,874	1,293	594	-242
Net service payments	-1,233	-1,259	-1,330	-1,493	-1,538	-1,622
Current account balance	1,589	1,150	544	200	1,160	2,380
Net transfers	-233	-282	-288	-306	-337	-364
Direct foreign investments	240	264	290	350	400	450
Official capital	560	700	750	800	850	900
Change in reserves	+2,156	+1,852	+1,296	+644	-247	-1,394

Source: Outline of the Fourth National Development Plan 1981-85

Major trading partners — 1980

	Imports (per cent)	Exports (per cent)
Britain	21.2	1.4
West Germany	13.5	12.6
Japan	11.4	—
France	10.2	12.4
USA	8.5	46.9
Netherlands	7.0	12.0
Italy	5.2	3.9
Belgium	4.5	1.8
Sweden	—	2.3

Source: United Nations

International reserves minus gold

	US\$ m
1981	9,974
January	9,654
February	9,728
March	9,089
April	10,161
May	9,610
June	—

Source: United Nations

	Crude oil production ('000 b/d)
1971	1,538
1972	1,488
1973	2,054
1974	2,256
1975	1,785
1976	2,067
1977	2,085
1978	1,926
1979	2,292
1980	2,052
1981	1,460

Source: UNCTAD

	Imports (£m)
1978	1979
Food and live animals	58.7
Beverages and tobacco	12.1
Crude materials	8.2
Mineral fuels	13.5
Animal and vegetable oils and fats	2.1
Chemicals	171.9
Manufactured goods	224.0
Machinery & transport equipment	131.0
Miscellaneous manufactures	135.5
Unclassified	6.7
Total	1133.3

Source: UNCTAD

External debt

1978

1979

1980

1975-100

A=All B=Food

1976

A 128.9

B 122.0

1977

A 143.0

B 144.7

1978

A 166.7

B 171.9

1979

A 186.3

B 185.1

1980

A 192.6

B 193.4

1981

A 194.8

B 191.3

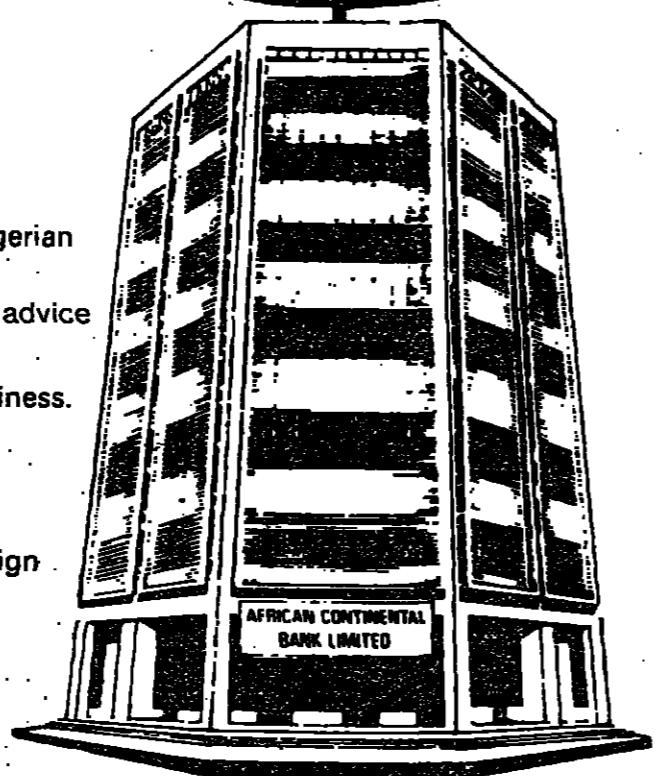
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NIGERIA

Dominated by the imperial giants

Nigeria has 20 commercial banks and six merchant banks riding high on the back of the oil boom and the burgeoning economy. But while the oil sector has fluctuated violently in the face of world recession, Nigerian banking seems to be growing faster now than at any time since independence. Many of the leading merchant banks almost doubled their profits in 1980. Lending to the private sector by the commercial banks surged by nearly 40 per cent to 5.4bn naira last year and the Government had to restrict total credit expansion in 1981 to 30 per cent, in an attempt to stop the banks running away with themselves.

"The assets of many of the banks almost double every year," said one prominent bank specialist and a whole host of new banks are now trying to get in on the act. "Ten new banks which originally applied for licences in 1978 are waiting to be approved. They have already been recommended by the Central Bank of Nigeria for approval. Five of the applications are by state governments to operate local cooperative banks and the rest are by private businessmen.

Conditions for starting new banks are strict. The oldest surviving indigenous bank, the National Bank of Nigeria was founded in 1933. It now ranks seventh in size, behind other banks with foreign shareholdings. But the extraordinary thing is that the NBN did survive, and is shortly to celebrate its 50th anniversary while 20 out of the 26 Nigerian banks formed in the 1950s have failed, despite connections with the highest politicians in the land.

Despite the growth of indigenous banking, with the Bank of the North now out in front and ranking fifth in the bankers' league, the sector is still dominated by the banks that grew in the imperial tradition. The First bank comes first. Since the 1976 indigenisation decree it is 40 per cent owned by Standard Chartered and 60 per cent by Nigerian interests. France's Banque Nationale de Paris holds a similar share of the second largest, the United Bank for Africa. It has had one of the most impressive growth records since the early 1960s, because of its aggressive support for local industry where the risks are high but the returns are large.

The Union Bank now lies third in the turnover rankings though it has more branches than any other. Barclays, once the leader in Nigeria, is now reduced to a 20 per cent shareholding in the Union Bank following its brush with the former military government in 1978, which took all government accounts away as a punishment.

The most important key to Nigerian development is not oil money, nor foreign investment, but education and training. That is the view of an increasing number of Nigeria's planners, and their arguments are persuasive.

No matter how much money flows in, if it is not harnessed efficiently by well-trained managers and productive workers, these planners say, real development will remain an illusion. The outline of the 1981-1985 development plan acknowledges this point, saying, "It is well known that shortages of skilled manpower constitute the most serious bottleneck to the capacity of the economy to absorb the increasing volumes of investment made possible by oil revenue".

But actions speak louder than words, and to date Nigeria's education and training efforts have been inconsistent. Finance earmarked for government education schemes have trickled in fits and starts. Much of the funds for university development included in the previous five

year plan never materialized because of budget cuts.

More recently primary school education suffered when the Federal Government handed responsibility for this sector over to the state and local governments, many of whom have now spent the education finance on other projects.

None the less, overall government intentions are clearly honourable, and significant progress has been made. Today more Nigerians graduate each year than in the entire period of British colonial rule. A full N2.2 billion, or 5.5 per cent of the federal capital investment during the 1981-1986 plan period is to go on secondary, university and technical education. The University Primary Education campaign (UPE), first launched in 1976, is expected to enrol more than 15 million children in 1982. In addition, the Federal Government will finance construction of eight new universities over the plan period.

These plans will surely be dogged with familiar implementation problems, but the goals are sensible and

all the 11 banks in which it has a shareholding.

The Central Bank sets interest rates for deposits and loans. It ensures that commercial banks maintain a 10:1 ratio of assets to capital and tries to control bank lending by a complicated quota system. Recently credit expansion has been so fast that it set a limit of 30 per cent for the expansionist bank lending in 1981. But in recent months most banks

found that they had reached their limits and were forced to issue redeemable preference shares to redress the situation. Already the First Bank and the United Bank for Africa have strengthened their equity base by this method, with other major banks waiting in the queue.

The Central Bank has also set quotas on bank lending to make them take their part in financing less profitable and more risky areas such as agriculture. The pressure is also on to lend mainly to Nigerians, to small businesses and to people in rural areas.

The discipline imposed by the Central Bank is formidable, a most complex quota system forces banks to loan 75 per cent of their money to the productive sectors of the economy (eighty per cent to agriculture) and only 25 per cent to the service and commercial financing sector where the banks would like to concentrate their money.

The banks are expected to further categorize their lending with 70 per cent of the total going to Nigerian borrowers and 16 per cent to small businessmen. With such a complex system applied to 20 commercial banks, it is difficult to enforce. In 1980 only 70 per cent of lending went to the priority sector and the Central Bank imposed fines on banks which had not achieved their quotas. This leads to considerable frustration, but it does mean that the pressure is on to comply with overall economic objectives.

Another aim has been to get the banks to develop rural banking. The rural

banking required the commercial banks to open 200 branches in designated areas by June 1980. Many of the banks, including the leaders failed to achieve their targets. A second phase of the programme then started with a requirement for a further 200 branches in specified rural locations by 1983. When this is completed there should be over 1,000 branches in the federation.

The rural banking programme is very unpopular with the bankers who claim that they loose money heavily on each branch that they open, saying that they cannot expect to make profits for at least ten years. But business men who are battling to establish industries in remote areas need a local banking service and complain bitterly at having to deal with inefficient Lagos branches where they have little personal contact. Many businessmen feel that when the Government programme of 1,000 branches is completed, this will be insufficient for the country as a whole, with its nearly 90 million population.

Some of the more farsighted bankers realize that if they are the first to master the problems of rural banking and to establish themselves as market leaders they will reap great rewards in future. But if it was not for the pressure by the Government, the banks would undoubtedly concentrate on the main towns where easy profits are to be made. So they are now being asked to sacrifice a little of their burgeoning profits in the interests of rural development, the promotion of agriculture and the task of making rural areas better places to live in. By the time the oil wealth dries up, the banks should have played their part in promoting balanced development to the furthest corners of the federation.

Alan Rake

The author is managing editor of African Business and New African.



Chief Theo Akinyele,
Director of the Budget.



Ola Vincent, Governor
of the Bank of Nigeria.



Victor I. Masi, the
Minister of Finance

MANPOWER

Training: the key to development

The most important key to Nigerian development is not oil money, nor foreign investment, but education and training. That is the view of an increasing number of Nigeria's planners, and their arguments are persuasive.

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These plans will surely be dogged with familiar implementation problems, but the goals are sensible and

the programmes are well suited to Nigerian conditions. Development experts particularly approve of Nigeria's new emphasis on vocational and technical training, in light of the severe shortage of skilled workers in the country. Seven of the eight new universities will specialize in technical skills, and vocational training will be emphasized at the secondary education level.

Managerial skills gap

But no matter how much energy Nigeria devotes to public education, there will still be a managerial and technical skills gap holding back economic development. Presently the plan estimates there is a 45 per cent shortage of civil and structural engineers, and a 40 per cent shortage of architects. Similar shortages are reported in other professional areas, and the situation is at least as bad among the lower level of workers. With most sectors requiring 50 per cent in trained managers and work-

ers by 1985, clearly the Government will not be able to make up the entire training deficit. This is where private enterprise comes in. Companies requiring skilled staff are increasingly establishing their own training institutes in an effort to plug the manpower gap. "It's not a matter of choosing to train," says a manager of a United Kingdom manufacturing concern in Lagos. "We have to train if we are expand."

Previously firms used on-the-job training for factory hands, while sending promising managerial candidates overseas for special courses. But they found Nigerians returning from abroad often brought back attitudes inappropriate to Nigerian conditions. Workmen trained on the job tended to receive half-hearted instruction.

Thus firms are now setting up their own company schools for both managerial and technical training. "We advise companies in Nigeria to hire separate staff whose sole responsibility is training," says a London-based personnel consultant. "Those

Continued on facing page

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Rex Collings reflects on the political influence wielded in the writings of Wole Soyinka and a Special Correspondent argues that the freedom of the press is undermined by journalists' irresponsibility

A passionate voice crying out against corruption

There is in C. S. Lewis's description of the birth of "Narnia" a passage that runs: "Can you imagine a stretch of grassy land bubbling like water in a pot? For that is really the best description of what was happening. In all directions it was swelling into lumps... lumps moved and swelled till they burst, and the crumbled earth poured out of them, and from each lump there came out an animal. But the greatest moment of all was when the biggest lump broke like a small earthquake and out came the sloping back, the large, wise head, and the four boggily-trousered legs of an elephant."

To the outside observer Nigeria at the time of independence displayed some of that same attribute of "bubbling like water in a pot". Out from each bubble came a poet, or a playwright, or a musician, or an artist. In the whole world of the arts there was a feeling of tremendous excitement of fecundity, an atmosphere of boundless, constant activity. One was overwhelmed by the number of artists who flourished there — like the old Windmill, their haunt, the Mbari Club never seemed to close.

One of this band was "Wole

Soyinka, who in the early sixties was the most promising of the playwrights. Two full-length plays written during this period, *The Lion and the Jewel* and *A Dance of the Forest*, which was published in London and performed as part of the Nigerian independence celebrations in 1960, showed in his writing a passionate hatred of the corruption and backwardness of the political establishment — as a radical he supported Chief Awolowo, the leader of the Action Group, then the main opposition party — and he denounced the activities of the Northern conservatives and their southern allies and hangers-on.

The armed "invasion" of the Ibadan broadcasting studio in 1965 and the anti-Government broadcast became something of a cause célèbre. The breakdown, particularly in the Western Region, of law and order, and then the Major's Coup of 1966 put him in a dilemma. He hated military rule and dictatorship; he hated the old corruption and he hated the idea of civil war. The leader of the first coup had a very brief reign, being almost immediately replaced by General Ironsi, the Army Commander, who was soon

overthrown in the period leading to the Civil War.

Wole Soyinka has described in his prison memoirs the events that lead to his arrest and the experience of his long and mostly solitary confinement — in the introductory note he describes very clearly and succinctly his attitude to public affairs — "the man dies in all who keep silent in the face of tyranny".

Ten years later he writes more specifically about the role of the artist in society, expanding perhaps on the simplicity of the first statement and answering the accusation made in a review that the play in question — *Opera Wonyosi* — lacked a "solid class perspective".

"Art", he writes, "should expose, reflect, indeed magnify the decadent, rotted underbelly of a society that has lost its direction, jettisoned all sense of values and is therefore destined to precipice as far as the latest official pronouncement can take it". And of the writer's (his) rôle, he writes: "At the foundation will be found an uncompromising concern for the social values of literature, a recognition of the limitations and its potential, and an assertion of the public executions that not so many years ago were

complementary to that of the politician, sociologist... not one which can usurp one or all of these roles in entirety without forfeiting its own claim to a distinctive vocation".

How, then, does this man fit into the present-day Nigeria? Practically, he has been extremely influential, the driving force in the formation and running of the Oyo State road safety corps.

For the first time he has

left the sidelines and joined a political party, not at might have been expected, the United Party of Nigeria, the party of his old friend and mentor Chief Awolowo — the successor party to the Action Group — but to the radical section of the People's Redemption Party.

He sees this as the most effective way of attacking the corruption that he believes is so rife in central government. Very much, too, he has lost its direction, jettisoned all sense of values and is therefore destined to precipice as far as the latest official pronouncement can take it". And of the writer's (his) rôle, he writes:

"At the foundation will be

found an uncompromising concern for the social values of literature, a recognition of the limitations and its potential, and an assertion of the public executions that not so many years ago were

held on the Lagos beaches. He had fought for the rights and independence of students and the universities.

It is not as an unacknowledged legislator that he sees his role and responsibility as a poet, but rather as a voice of reason and conscience in a country where sudden and great wealth and unfettered power has tended to ignore the one and stifle the other. His commitment to his country is total — why else is he so affronted by the defects of his leaders? His local roots are a strong fact seen in his recently published auto-

biography *Ake: The Years of Childhood*. What will happen next? In this period before the next general election will the poet be submerged in the party politician — it will be fascinating to observe the Metamorphosis of "Wole Soyinka to see whether the writer's distinctive vocation will survive."

"The Magician's Nephew, London 1955 (pp110-111) f Preface to *Opera Wonyosi*, London 1981 — the play was first performed at the University of Ife in December 1977. It is an adaptation of *The Beggar's Opera*.

The Nigerian Government strongly encourages com-

continued from facing page

pany in-house programmes, both train staff and equally important, train Nigerian instructors to take over once the expatriate crew has left.

Companies often find they must establish elaborate training programmes for even the most rudimentary tasks. Because many workers grew up in villages lacking even a water tap, they can be unfamiliar with the most basic technical concepts. They must therefore be taught skills that Western youngsters learn in the playground. This does not reflect Nigerian stupidity, but rather inexperience with industrial society. Even when the workers are fully trained, difficulty with technical problems brings productivity down to about 60 per cent or 70 per cent of developed world standards.

Managerial training has moved ahead more smoothly. "We are having an easier time finding managers now than did 10 years ago," says the (Nigerian) managing manager of a foreign glass manufacturing concern in Lagos. "But they are all new recruits and we still lack experienced Nigerian personnel."

Successful company training programmes for both managers and workers also suffer from widespread inter-company poaching. "Out of every two people we train we keep only one for more than a year," says a firm particularly annoyed with this problem. Companies have tried to retain workers through bonding, but this is seen as bordering on "involuntary servitude" and is highly unpopular.

The Nigerian Government strongly encourages com-

pany in-house programmes, and need makes approval of foreign firms' expatriate quotas contingent upon the quality of the training programme for Nigerians. In addition, each company must contribute a levy to the Government's industrial training fund. A parasitic organization, the Centre for Management Development, inspects all in-house training and can authorize refunds of up to 60 per cent of this levy on approval of the company efforts.

The CMD also provides education and training assistance directly. Run by a committee of representatives from universities, government ministries, chambers of commerce and employers' organizations, the CMD coordinates the vast assortment of public and private schemes, and develops management training curriculums.

Most companies accept the training responsibility as part of a Nigerian investment. "In a sense we can consider it part of our marketing or public relations campaign, as well as an industrial necessity," says one training specialist.

Shortage of managerial and technical skills will undoubtedly remain a serious constraint on economic development in Nigeria for the medium term. Ambitious training programme will founder, and government funds will continue to be unpredictable. But clearly both the public and private sectors have recognized that training is crucial to future development, and light is visible at the end of the short tunnel.

Gillian Gunn

His master's voice instead of a watchdog

Nigerians often boast that they have the freest press in Africa. This is true in the sense that there are newspapers that feel able to criticize the Government in the strongest terms, often abusing and insulting the President and making serious allegations against senior members of his government.

However, it is often alleged with some truth that Nigerian journalism, though free, is not independent; that is, that most newspapers follow a party line and that most journalists do as they are told, rather than exercise their own judgment.

President Shagari and other leaders of his National Party of Nigeria have often expressed their commitment to the freedom of the press. But concern has recently been caused by the arrest of some editors after publication of allegedly false accusations against the President (these cases are still sub judice) and by allegations that pressure has been exerted on broadcasting journalists and on the *Daily Times* to toe a party line.

The Nigerian press played a proud part in the struggle for independence and it also managed to maintain a degree of self-respect during military rule from 1966 to 1979. There were instances of journalists being beaten up by soldiers and the newspapers were under tremendous pressure. But they maintained some freedom to criticize.

When the time came to draw up a civilian constitution much debate was given to the question of whether there should be a constitutional guarantee of freedom for the press. The Constituent Assembly finally decided that the rights of freedom of expression given to every citizen were enough to cover the needs of newspapers too.

15 dailies and many weeklies

There has been a boom in newspaper growth since the return to civilian rule in 1979, with over 15 daily newspapers now being published and a proliferation of weeklies and magazines.

The most important are: the *Daily Times*, of which more later, the *New Nigerian*, published in Kaduna and regarded as the voice of the northern establishment, wholly owned by the Federal Government but one of the most serious and intellectually independent of the papers; the *Tribune*, the voice of Chief Awolowo's Unity Party of Nigeria, published in Ibadan and unrestrainedly (sometimes irresponsibly) critical and abusive of the ruling party; the *National Concord*, published since March 1980, by the wealthy Chief M. K. O. Abiola, a newspaper totally committed to the ruling party but employing many of the stars of Nigerian journalism and most intelligently produced; *Punch*, published in Lagos and almost the only politically independent newspaper, very bright and popular with scantily clad girls on page three.

There are also newspapers appealing mostly to the regions in which they are published, such as the *Daily Sketch* of Ibadan, the *Daily Star* of Enugu, the *Chronicle* of Calabar, the *Herald* of Ilorin, the *Observer* of Benin City, the *Standard* of Jos, the

Statesman of Owerri and the *Tide* of Port Harcourt.

The case of the *Daily Times* is interesting if highly controversial. The paper is 60 per cent government-owned. President Shagari, during his presidential campaign, gave some support to proposals that it should be returned entirely to private hands, but this proposal was dropped after he came to power.

Since then the board has been completely reconstituted, the editor changed and a large number of senior men redeployed, many leaving the company as a result. Many saw this attempt to make the paper a more consistent supporter of the ruling NPC as a blow to the party, though this is vigorously denied by the party and the new *Daily Times* men.

Loss of morale and circulation

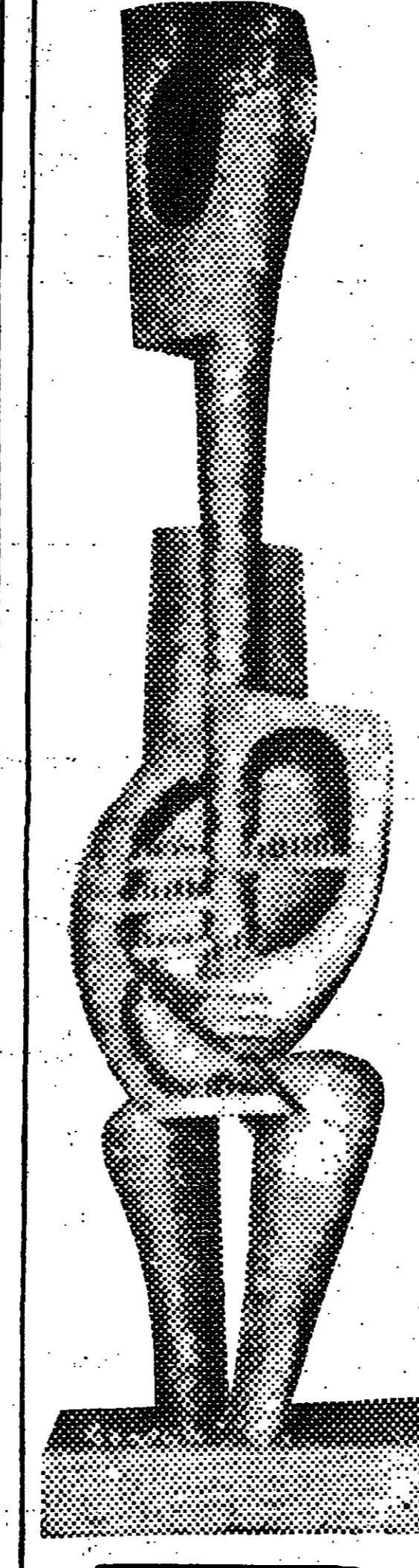
However, one undoubtedly result has been a serious loss of morale by the journalists left on the paper. It has also lost circulation and has lost money this year. (Most Nigerian newspapers are losing money, but the *Daily Times* has wide outside interests and has up to now recorded big yearly profits. There are special circumstances, however, including big expenditure on a new printing plant.)

The Governor of Lagos State, Alhaji Lateef Jakande, is a political opponent of the National Party of Nigeria and so his views are obviously partisan. But he is also a former journalist and speaks with authority on these matters. He said in a recent speech: "The *Daily Times*, which should be the leader of the mass media in objective journalism, has performed disgracefully in the past eighteen months. I am sure that the great journalists who laboured to build up a reputation for the *Daily Times* must feel distressed that in their lifetime what they built is now being destroyed by their successors."

More generally, the shortcomings of Nigerian journalism come largely from the fact that it is not a highly-regarded profession in Nigeria. Men of quality find they can make more money and gain more status in other sectors. Journalists are often regarded as little more than messengers, carrying handouts back to be published. There is a distressing custom at political press conferences of handing the reporters envelopes containing money on the way out.

The matter was summed up in an article in *West Africa* by Abraham I. Obaze, of the Department of Mass Communication, University of Nigeria. He wrote that the Nigerian journalism was rarely objective. "He is his master's voice. He is supposed to approach information sources with maturity, because of his role as the watchdog of society. He is instead under the heavy thumb of the 'big brothers'. How can the ordinary man of this country form a valid opinion about events or discuss what is good and what is bad if the watchdog, though he is not harassed or shackled, will not even bark or bite? How can we have a responsible press if the journalist refuses to accept his responsibility but continues to lick the boots of the powers that be?"

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Deposits etc.	2,407,218	1,576,225	Loans & Discounts	1,268,844
Contra A/cs.	918,348	772,169	Contra A/cs	918,348
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The port of Lagos achieved notoriety in the late 1970s through bottlenecks caused by the oil boom. David Hilling suggests ways in which the system could be streamlined

The Tin Can stopgap

In Nigeria, as elsewhere, there is the problem of matching the supply of port facilities to the demand. Port structures take time to plan and construct and have a very long life. Yet trade patterns can change rapidly. For Nigeria, as for other developing countries, there is the additional problem of trying to provide basic port facilities at a time when maritime transport technology is undergoing rapid transformation with conventional labour-intensive cargo handling methods being replaced by unitization in various forms.

There are crucial questions relating to the choice of technology and timing its implementation. Mistakes will be costly and Nigeria will have to live with them for a long time.

There had been a gradual expansion of port facilities during the 1950s and 1960s and plans were in hand for a third extension at Apapa when the oil revenue increases of 1973/74 sent Nigeria on a spending spree. Shipping space was readily available to satisfy the dramatic increase in demand for consumer and producer goods including the excessive purchase of cement which was the problem it created, has claimed a place in maritime history. The ports could not immediately meet these new demands and by 1976 more than 400 vessels waited for berths.

The reaction to this crisis was to maximize mid-stream cargo handling into lighters, provide lighterage quays, develop roll-on/roll-off services and embark on a massive investment programme for additional deep-water berthing. In consequence Nigeria's trade leapt from 4,400,000 tonnes in 1974/75 to 11 million tonnes in 1978/79. Lagos-Apapa handled some 70 per cent of the national trade and not surprisingly two major expansion projects, the ten berth Tin Can Island scheme and the six berth Apapa extension, were located at the capital. Completed in only 17 months, the Tin Can Island complex has been described as a "short term solution to a long term problem" and may be criticized for being a rather conventional general cargo facility which falls far short



of the ideal for unitized cargo.

Container movements through Nigerian ports increased from 27,466 units in 1974/5 to 149,237 units in 1978/9 and 90 per cent of this traffic is through Apapa where the 33 ha of land at the new extension is grossly inadequate for efficient container handling. Out-of-port stacking is deficient and hinterland links create problems.

There has been some attempt to spread the load and considerable expansions to berths at Warri, Port Harcourt and Calabar have enabled them to increase their share of trade to 35 per cent.

Yet ports can only be as good as their hinterland links permit. The roads in and around Lagos-Apapa have been greatly improved but evacuation routes still create problems. Tin Can Island has no rail link and the Apapa extension suffers from congested access roads. Warri and Calabar have no rail links and the latter's ability to offer relief to hard pressed Port Harcourt is severely restricted by the lack of hinterland routes.

For several decades Nigeria's railway system had been of declining importance for freight movement but if the ports are to meet the demands of the container age the railways must help. There are signs of improved management, some new facilities and rolling stock and plans for the conversion of some main lines from 3ft 6in to standard gauge.

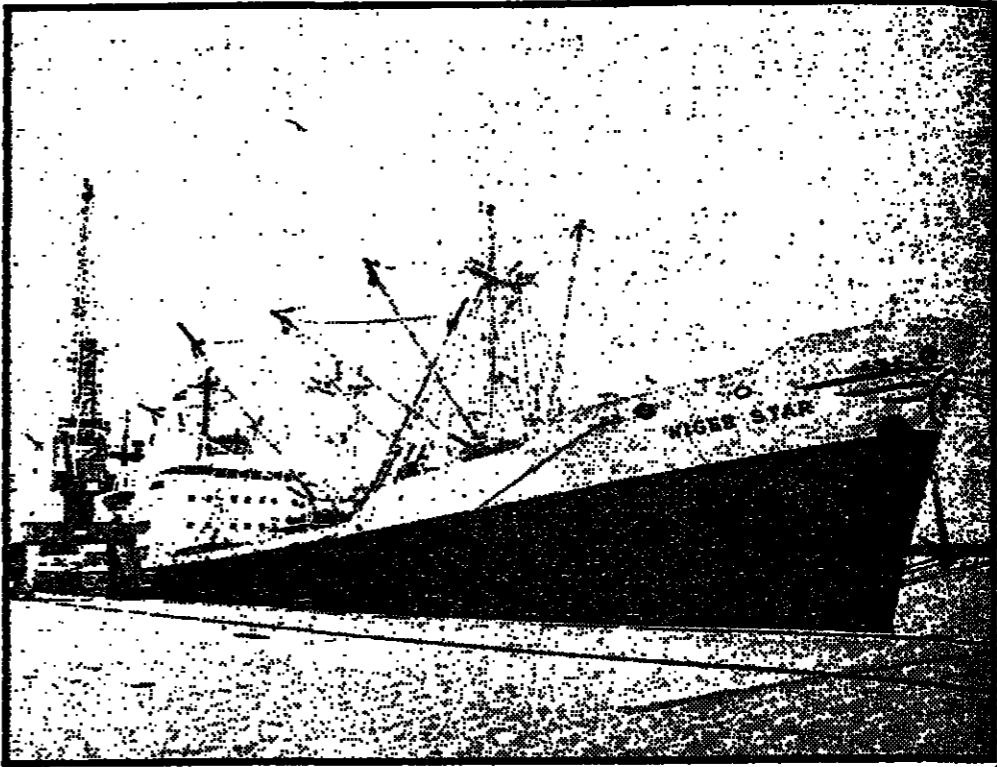
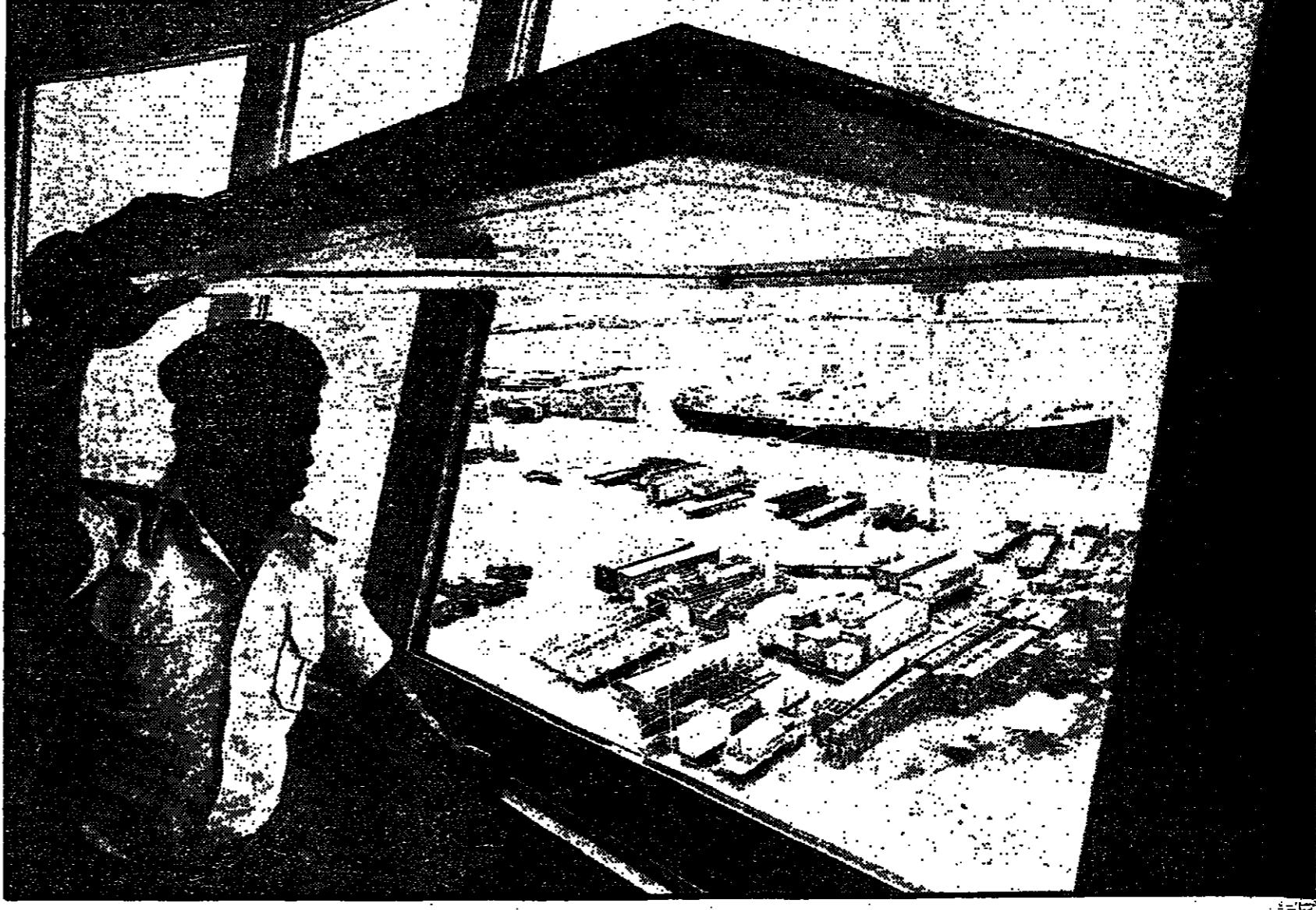
At Kano a rail served inland container terminal has been built and provides Customs clearance service thereby allowing containers to transit more rapidly through the ports. At Kano a rail served inland container terminal has been built and provides Customs clearance service thereby allowing containers to transit more rapidly through the ports. The Peugeot assembly plant at Kaduna, for long receiving its components by air, now depends on containers railed from Apapa, a route previously through impracticable because of port problems.

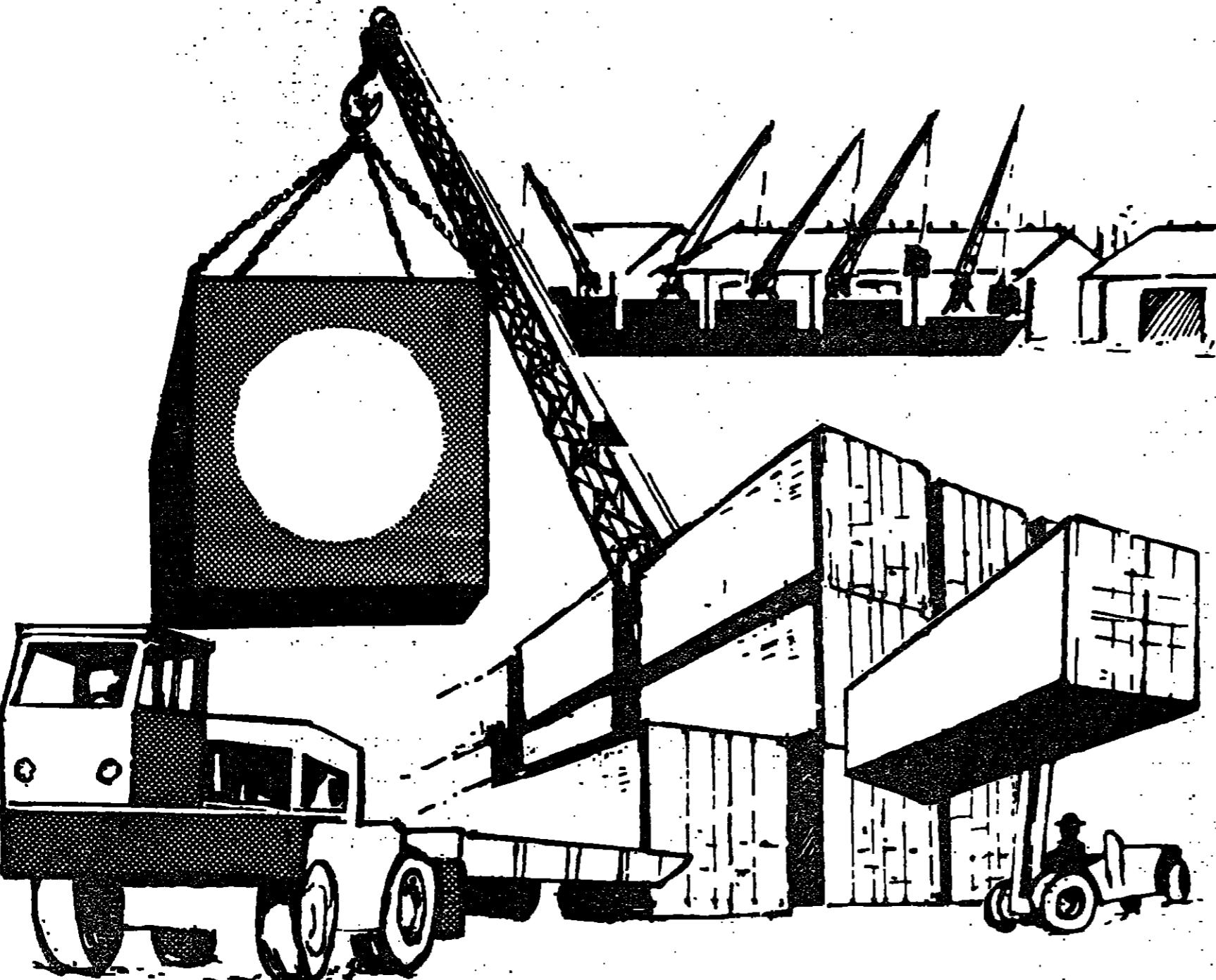
Road vehicles are often far from satisfactory for the efficient handling and rapid movement of freight. There has been some increase in

the number of flat-bed trailers but many of the traditionally favoured lorries have fixed sides and are tail loading which makes them particularly unsuited for the movement of unitized freight and can slow down the whole cargo handling process at the port.

The Central Water Transportation Company and Government are trying to rejuvenate an inland waterways system that had been allowed to decline. The Niger River is being dredged to provide 1.8m depth to Lokoja at all seasons and the recent delivery of four advanced pusher-tugs could herald a new era for standard gauge. At Kano a rail served inland container terminal has been built and provides Customs clearance service thereby allowing containers to transit more rapidly through the ports. The Peugeot assembly plant at Kaduna, for long receiving its components by air, now depends on containers railed from Apapa, a route previously through impracticable because of port problems.

The author is senior lecturer in Geography at Bedford College, University of London.





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When Leo Africanus visited Kano in the early sixteenth century, he wrote: "In the middle of the province stands a town called by the same name. The walls and houses hereof are built, for the most part, with baked clay and the inhabitants are rich merchants and the most civil people."

Although today Kano extends far beyond those ancient walls, the old city remains the thriving, throbbing and hospitable heart of perhaps the most famous of the "seven true Hausa states" of yore. Stories of early Kano and its traditional leaders, such as Dala, a chieftain of very early times, are described in a famous chronicle. He, for example, was said to have been a "black man of great stature and might; a hunter who killed elephants with his stick and carried them on his head for nine miles".

Similar claims are made today by many a northern businessman. Surprisingly, many such can merit credible enquiry. Business methods, however, do differ. Large sums often change hands in cash for instance. But assertive confidence — even bravado — still breeds on the traditions of the ancient city. These pre-date both its becoming the capital of the state of Kano nearly a thousand years back and the introduction of Islam some six centuries ago.

Islam is a vital constituent of Kano's vibrant life and society. Its introduction was not at first smooth, since at the beginning of the fifteenth century, the local people blamed it for a defeat at the hands of nearby Zaria, but with the blossoming of trans-Saharan trade its establishment was inevitable. Muslim teachers invariably accompanied merchants and often were merchants themselves. Itinerant preachers are still greatly respected.

And the Kano environs today represent perhaps the most significant population concentration in the whole of Islamic West Africa.

The population of Kano has long been mainly Hausa but an important minority claim descent from original Fulani inhabitants. The city itself is composed of about a hundred *ungwas* (hamlets) each with its own mosque and usually a market. The oldest surviving building is probably the Emir's palace which dates from the fifteenth century. The great central mosque, largely rebuilt in 1951, claims to be the largest in Nigeria. But it is not, of course just the city walls, the mosques and the palaces of the Fulani Emirs that are steeped in history. Significantly, so too are the markets and trade routes. Islamic laws and customs are still followed.

Traditional trade routes decline

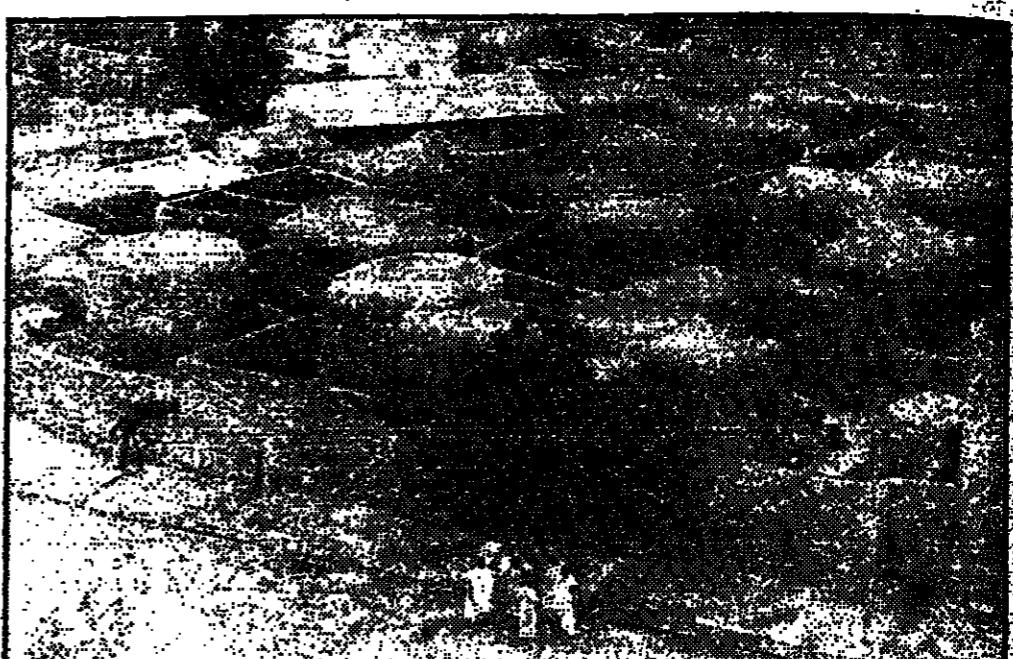
Kano city and the surrounding area have survived a turbulent history, being at times tributary to Bornu and suffering too at the hands of Zaria and Katsina. But at the beginning of the last century Kano was captured by the forces of the famous militant mallam Usman dan Fodio, who led the Fulani in a *Jihad* against their Hausa overlords. It was one of his pupils who was to become the first Emir of Kano and found the present dynasty.

By the end of the nineteenth century, however, due perhaps to the ending of the slave trade and growing European commercial control of the West African coast, traditional trade routes across the Sahara declined in importance. And Kano with them. Even so it was quite late in the scramble for Africa that the city fell to a British military expedition. In 1903 the British captured Kano and they created Kano Province soon afterwards. It encompasses an important area of 16,630 square miles of wooded savannah degenerating into scrub in the north. The light sandy soils are particularly good for groundnuts, but cotton, onions, tobacco, millet and gum-arabic are also produced. Cassava, maize, beans and guinea corn are the main subsistence crops. Livestock are to be found universally.

The British initiated the famous era of "indirect rule". One effect was that the rich indigenous culture — not a museum culture, it is very dynamic — nevertheless remained largely undisturbed by the colonial overlay. Kano city has remained renowned for the vigour of its rulers and the commercial and industrial skills of its people.

In addition to the traditional indigo dye industry, some of the dyeing pits are hundreds of years old — hides and skins and cattle on the hoof are important to the internal commerce of the whole of northern and central Nigeria. The trade in tanned and worked leather — particularly red goatskin, often misnamed "Moroccan leather", is world famous. Groundnuts, traditionally sacked and stacked in pyramids, have become a favourite subject of photographers. Dairying and meat canning are also important and the confectionery industry is growing.

Light manufacturing industry has developed, including



A sixteenth century visitor's description of Kano as a city "built with baked clay" is still recognizable in this view of the old town.

the manufacture of steel furniture, footware and soap. There are printing presses, an abbatoir and bone-crushing plant, and there have recently been expansions in the areas of refrigeration, tyre re-treading and brewing.

All these, in addition to the traditional dyeing, leather-tanning and decorative metal work, pottery, mat making and tailoring.

Iron, tin and columbite are mined and there are limited uranium deposits in the south which have yet to be exploited. The single-track railway which reached Kano in 1912 connects with Port Harcourt and Lagos. The city has a major airport with international and local connections.

In Kano today there are several hospitals and maternity clinics, a medical and dental centre, government, Christian and Muslim secondary schools. Abdullahi Bayeuro College, established in 1960, became a branch of the university at Zaria in 1961 but has since attained full university status. There are also schools of Islamic law, teacher training institutes, technical and commercial colleges and an agricultural institute.

The more traditional aspects and the tensions within Kano's deeply Islamic society drew world attention in December 1980. Fundamentalists from an Islamic sect virtually declared an area of the city their private republic. The sect was led by a malam, "Maitatsine" or Muhammad Marwa, so named because he originated from the town of that name in northern Cameroon. His followers initiated a reign of terror involving the expropriation of property, the murder of opponents and attacks even on the police. On December 18, virtual civil war broke out between this sect and other Muslim citizens whom they nevertheless regarded as unbelievers. This resulted from an attempt to seize the main mosques and occupy close-government schools and other centres.

After a week of fighting, which the police were unable to contain, the state Governor, Al Hajji Abubakar Remi eventually appealed to the President for help. The Nigerian army and the air force took over and within two or three days troops had put down the rebellion and order was restored. But not before 4000 people had died.

It is apparent from the enquiry report into the riots, conducted by Mr Justice Aniagbosi and published about a year later, that top officials in Kano State were not unaware of the serious developments that were taking place in the city but that at high levels they displayed hesitation and indecision. In the event, initial impulses to blame foreign conspiracies for the tragedy proved unfounded — as they nearly always do in Nigeria and elsewhere.

It is often said that those who do not study history are condemned to relive it. In an ancient city so rich in history as Kano this might seem particularly relevant.

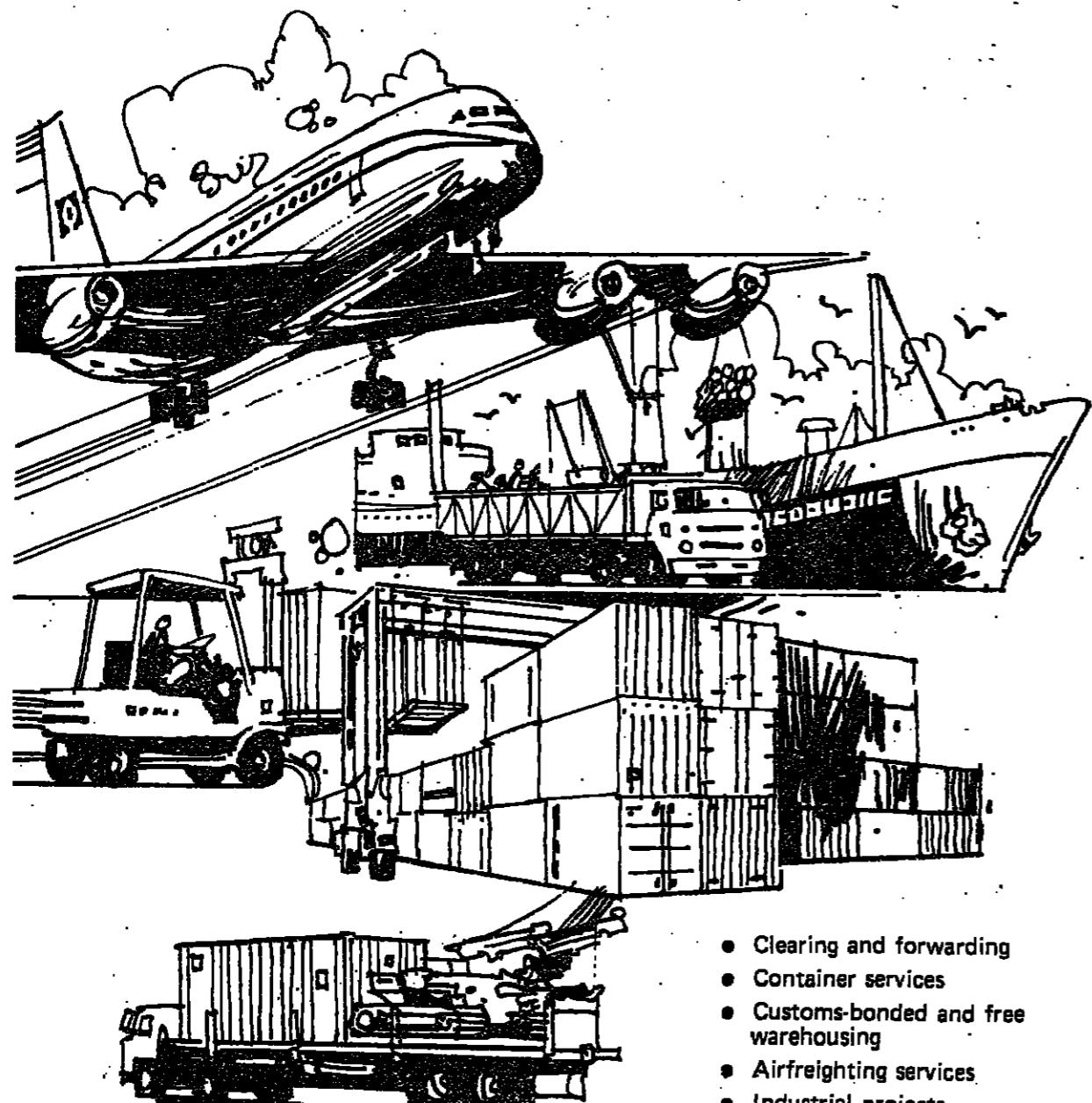
Perhaps the learned judge's enquiry into the Kano riots — to say nothing of the deaths and injuries which may have been avoided had the governor, the police chief and the local head of the often rather arbitrary National Security Service studied Shaikh Muhammad al-Majili — the famous Algerian theological preacher and jurist.

Writing of Kano at the end of the fifteenth century, he commented, not only that its leaders should "cherish the land from the spoiling drought, from raging winds and dust laden storms, from thunderclaps, flashing lightning, shattering fireballs and the beating rain", but added: "Kingdoms are held by the sword, not by delays". President Shehu Shagari clearly understood that. But then he is a renowned Hausa scholar.

Richard Greenfield

The author was formerly Dean of Arts and Social Sciences at the University of Benin, Nigeria.

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